ZALL 卓尔智联

Zall Smart Commerce Group Ltd.

卓爾智聯集團有限公司

(Incorporated in the Cayman Islands with limited liability)

INTERIM REPORT 2025

Stock Code: 2098.HK

About
Zall Smart Commerce Group Ltd.

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

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Corporate **Information**

DIRECTORS

Executive Directors	Mr. Yan Zhi *(Chairman and Co-chief executive officer)* Dr. Gang Yu Mr. Qi Zhiping *(Co-chief executive officer)* Mr. Yu Wei Ms. Fan Xiaolan
Independent Non-Executive Directors	Mr. Cheung Ka Fai Mr. Wu Ying Mr. Zhu Zhengfu
Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office in the PRC	No. 1 Enterprise Community 1 Chutian Avenue Panlongcheng Economics and Technology Development Zone Wuhan, Hubei Province China 430000
Principal Place of Business in Hong Kong	Suite 601, 6/F Tower 1, Lippo Centre 89 Queensway Admiralty Hong Kong
Audit Committee	Mr. Cheung Ka Fai *(Chairman)* Mr. Wu Ying Mr. Zhu Zhengfu
Nomination Committee	Mr. Wu Ying *(Chairman)* Mr. Yan Zhi Mr. Cheung Ka Fai
Remuneration Committee	Mr. Zhu Zhengfu *(Chairman)* Mr. Qi Zhiping Mr. Wu Ying

Corporate
Information (continued)

Risk Management Committee	Mr. Zhu Zhengfu *(Chairman)* Mr. Cheung Ka Fai Mr. Qi Zhiping
Company Secretary	Ms. Tan Huali
Company Website	http://www.zallcn.com/
Authorised Representatives	Mr. Qi Zhiping Ms. Tan Huali
Hong Kong Share Registrar	Union Registrars Limited Suites 3301–04, 33/F Two Chinachem Exchange Square 338 King's Road North Point Hong Kong
Principal Share Registrar and Transfer Office	Suntera (Cayman) Limited Suite 3204, Unit 2A, Block 3 Building D, P.O. Box 1586 Gardenia Court, Camana Bay Grand Cayman, KY1-1100 Cayman Islands
Legal Advisors	P. C. Woo & Co. Sidley Austin
Principal Bankers	China Construction Bank China Mingsheng Bank China Resources Bank of Zhuhai China Everbright Bank

Chairman's **Statement**

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Zall Smart Commerce Group Ltd. ("**the Company**" or "**Zall Smart Commerce**"), I am pleased to present the interim report of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2025.

In the first half of 2025, amid the global trend toward intelligent and green transformation of supply chains, Zall Smart Commerce adhered to its digital-driven strategy, with a focus on deepening vertical market presence, accelerating the integration of digital and physical operations, and fostering synergy between online and offline ecosystems. This not only effectively drove the restructuring of supply chain value but also further stimulated consumption vitality in the commerce market, achieving resilient growth in performance. Meanwhile, the Company actively led the green development of the supply chain, driving industry-wide breakthroughs in quality and efficiency through innovative reforms, and further enhancing its core competitiveness. Zall Smart Commerce rose to 160th place in the Fortune China 500 ranking and was honored with the title of "Yangtze River Economic Belt (Hubei Region) ESG Benchmark Enterprise."

Deepening Vertical Industry Chain Presence to Build Industry Moats

This Year, in the face of uncertainties in international trade policies and falling commodity prices, Zall Smart Commerce has consistently focused on customer needs, continuously deepening its core product categories, and developing innovative digital applications. The Company has established leading barriers in multiple niche markets such as agricultural products, ferrous metals and chemical plastics, forming its own industry moats.

During the Reporting Period, Sinoagri actively integrated its advantageous resources and expanded its business scope. By directly connecting with high-quality sugar enterprises in production areas and conducting direct procurement of raw beans at the source, it facilitated efficient matching between production area resources and downstream demand, meeting customers' diversified procurement needs. Meanwhile, it drove the Xinjiang Aqsu Spice Deep Processing Center into production and focused on developing high-quality industry clients, which significantly enhanced product production and sales capabilities. Zall Steel continued to focus on high-end manufacturing and green manufacturing, providing customized supply chain integration solutions for multiple industry-leading enterprises. Following steel exports to Saudi Arabia, Zall Steel completed the transshipment of steel finished products from Vietnam to the Taiwan market, driving product upgrades toward high-value-added finished goods. HSH has further expanded its product portfolio, with the number of raw materials supplied now exceeding 2,500 varieties. HSH has also deepened the transformation and innovation of its business model, accelerating its presence in the plastic consignment and chemical distribution markets, driving significant growth in sales revenue and volume for multiple categories including ABS, PP and PET.

Chairman's
Statement (continued)

In the context of rapid digital technology development, the Group has actively utilized big data and artificial intelligence to strengthen digital platform construction, continuously improving operational efficiency and industrial digital service capabilities. In risk control, the Group has introduced AI technology to build intelligent risk control models, enhancing customer credit risk analysis capabilities and reducing business risks while providing differentiated services for customers of different risk levels. In the agricultural planting sector, Sinoagri has established a digitalized sugarcane planting management platform integrating "visual AI + multi-agent decision-making + large model assistant" technologies, enabling precise management across the entire sugarcane growth cycle and achieving full-process monitoring of cultivation, planting, management and harvesting. In the field of digital steel services, Zall Steel integrates SaaS, ERP, MES, WMS, TMS and other supply chain systems to cover the entire steel industry chain. Through the collaborative management of a trusted supervision platform and a mobile IoT smart operation platform, it has built a multi-dimensional smart service system. In the recycled plastic sector, HSH's "cloud factory" model has been successfully replicated in Guizhou, Jiangxi, Shandong and other regions. By establishing front-end warehouses in multiple locations and integrating its self-developed smart logistics system, it has successfully addressed the last-mile logistics challenge, achieving "same-day ordering, same-day delivery."

Developing a Distinctive Supply Chain Ecosystem to Build a Hub for The Dual Circulation of Commerce and Trade

Hankou North International Trade Centre ("**Hankou North**") focuses on the continuous upgrading of commodity markets, vigorously developing a new model integrating "industrial integration + experiential consumption + trade digitization + supply chain services + new foreign trade formats". It deeply connects with upstream industrial chains and downstream consumer chains to accelerate the development of "China's largest and world-leading" supply chain management center and commerce and logistics platform.

After several years of strategic planning, North Hankou has established modern supply chain systems for flowers, seafood, automobiles, seasonings, textiles and apparel, and coffee. Through the "culture-commerce-tourism integration" model, it has created a series of new consumption scenarios that have been well-received by the general public and consumers. Among these, the Flower Town has partnered with Yunnan Dounan Flower City to introduce flowers from 15 countries including Ecuador and Netherlands, becoming the largest flower trading and service center in Central China; the "Seafood Chain" sources high-quality ingredients such as Canadian lobster, Norwegian salmon and New Zealand rock lobster directly from four major ports through brand strategic partnerships, and leverages intelligent warehousing systems and distribution networks to swiftly deliver premium ingredients to Wuhan's core commercial districts; the "Spice Exchange" has introduced 24 major chili pepper varieties from India, Vietnam, Xinjiang, Yunnan and other domestic and international regions, establishing distribution networks in Nanchang, Zhengzhou, Changsha and other cities, with market penetration and trading service capabilities continuously upgraded; Huafanglian actively promotes the implementation of the Henan Taiqian Down Trading Center project, constructing a 1,000-square-meter down and down product exhibition hall and an 8,500-square-meter down warehousing center to provide high-quality down products.

Meanwhile, North Hankou is actively strengthening the construction of commerce and logistics infrastructure, supporting Hubei's "dual circulation" logistics system to enter a new phase of high-quality development driven by the "aviation + commerce" dual-driver model. The "Hua Hu International Airport Hankou North Cargo Station," jointly developed by North Hankou and SF Express Group, has officially commenced operations. It integrates SF Express' domestic and international aviation resources, establishes a cold chain fresh produce pre-distribution warehouse, and launches the "Hankou North-Ezhou" SF Express hub cold chain dedicated route, accelerating the improvement of North Hankou's "buy globally, sell globally" circulation efficiency. Additionally, North Hankou 's live-streaming ecosystem continues to upgrade, with multiple live-streaming product selection centers established. The Hankou North Live-Streaming Base has signed agreements with over 2,800 merchants and 200 live-streaming teams, conducting over 1,000 live-streaming sales events daily.

Connecting Domestic and International Trade Nodes to Enhance Supply Chain Resilience

Promoting the integrated development of domestic and international trade is an important strategic measure for the country to build a new development pattern. Zall Smart Commerce closely follows the country's development pace, leveraging digital technology to connect key nodes in the integration of domestic and international trade and actively enhance supply chain stability and resilience.

During the Reporting Period, to address tariff impacts, North Hankou collaborated with 32 industry associations representing sectors such as hotel supplies, daily necessities, home appliances, kitchenware and dried/fresh seasonings to establish "Foreign Trade Premium Products Live Streaming Rooms" and online "Foreign Trade Zones," offering eight cross-border services such as 24-hour electronic customs clearance and intelligent document review. These initiatives helped foreign trade enterprises expand into the domestic market and increase domestic sales. Meanwhile, Zall Smart Commerce continued to deepen innovative cooperation in the cross-border trade sector, signing an agreement with Marubeni Corporation to jointly support ZMA Smart Capital Pte. Ltd. in expanding its cross-border trade financial services portfolio, providing intelligent and efficient tech-driven financial solutions for international supply chain enterprises in broader regions such as South America, Africa and Southeast Asia. Building on the growth in overseas bulk trade scale, CIC further expands into new markets such as fuel oil while optimizing digital products like TradeData. Pro to enhance customer reach, data access and AI analysis capabilities. This provides users with precise market insights, trend analysis and supply chain monitoring services, helping enterprises improve cross-border transaction efficiency.

In the first half of 2025, despite the unpredictable external environment, China's economy demonstrated strong resilience, maintaining a stable and positive overall trend. Against this backdrop, Zall Smart Commerce will adopt a more resolute stance to strengthen its industry moats, continue to drive technological innovation and the integration of domestic and international trade, comprehensively optimize supply chain service capabilities, and work diligently to inject sustained vitality into China's high-quality economic development.

Yan Zhi
Chairman

Hong Kong, 29 August 2025

Management Discussion and Analysis

BUSINESS REVIEW

Consumer product-focused wholesale trading

The Group's core project, North Hankou International Trade Center ("**North Hankou**"), had formed 30 large comprehensive clusters of specialized markets covering branded clothing, small merchandise, hotel supplies, secondhand vehicles, and etc. It had built commercial theme zones including Hankou Town, Universal Town, Wuhan 1980, Carnival Theme Park and the Coffee Street, commercial featured towns such as Flower Town, Flavor Town and Automobile Town, and modern supply chain projects such as New Textile Wharf, Fisherman's Wharf and Spice Exchange, thus accelerating the establishment of China's largest and world's leading supply chain management center and commercial logistics platform.

In the first half of 2025, North Hankou focused on the continuous upgrading of the commodity market, vigorously developing the new mode of "industry integration, experiential consumption, trade digitization, supply chain services and new foreign trade business", and deepened the integration of digital technology and real economy, culture, business and tourism, and exhibition and trade, and deeply connected with the source industry chain and the end consumption chain, so as to blaze a new path for modernized commerce and logistics, and build a national important base for the integration of the commodity supply chain and a core hub for the dual circulation strategy. The 2025 Government Work Report of Hubei Province proposed "hosting major open events such as the Wuhan (Hankoubei) commodities fair", while the 2025 Government Work Report of Wuhan City proposed "building North Hankou into an integrated domestic and international trade base." At the 2025 China Commodity Trade Market Conference, North Hankou was awarded the honorary titles of "2024 National Model Market for Digital and Intelligent Development in Commodity Trade Markets" and "2024 National Model Market for Logistics Supply Chain Innovation in Commodity Trade Markets."

North Hankou continues to innovate, introducing diverse commercial resources to accelerate the development of new experiential consumption scenarios. The first-store economy, industry chain leaders and new consumer brands are clustering here, with the industrial agglomeration effect becoming increasingly evident. Women's apparel brands such as Muko, N37 Degree and Yu Ni; children's apparel brand Black Ace Akiss; and lingerie brand Oleno have settled in the Branded Clothing City; Shunfu Textile, Goldsun Textile, Torch Down, and Minglian Textile have settled in the New Textile Wharf; Chengle Food's first store in Central China has settled in the Hotel Supplies City; The Dongfeng Nissan new 4S store, the Avatr Central China flagship store jointly developed by Changan Automobile and Huawei and the Yamaha motorcycle flagship store have all settled in North Hankou Automobile Town; the first homestay-themed home furnishings gallery in Central China, Tan's Craftsmen, has moved into the Dream Home Customization City.

Leveraging its strong supply chain management service capabilities, North Hankou continues to upgrade modernized supply chain systems for flowers, seafood, chili peppers, coffee, clothing, textiles and more, forming clusters and strengthening industrial foundations. The Flower Town has become the largest floral trading and service center in Central China, with sales volumes steadily increasing; The Fisherman's Wharf "Seafood Chain" leverages intelligent warehousing systems and drone delivery networks to swiftly deliver premium seafood like lobsters and king crabs to Wuhan's core commercial districts; the Huafanglian integrates domestic and international, upstream and downstream resources to provide enterprises with trading, design and bulk procurement services; the Spice Exchange has established a service network covering the four provinces of Central China, driving the scaled and digital development of the chili industry. The Coffee Street brings together over 30 major coffee supply chain companies, offering coffee beans from over 50 countries and regions.

To achieve smooth cargo flow and establish a dual-circulation commerce hub, North Hankou collaborates with SF Express Group to develop the Huahu Airport Hankou North Cargo Terminal, enabling strategic synergy between the Wuhan-Ezhou Airport-type National Logistics Hub and the Hankou North National Commerce and Services Hub. Through the three-dimensional empowerment of "aviation hub + commerce market + smart manufacturing technology", North Hankou can leverage the global supply chain network to accelerate the expansion of "one-stop going global" channels for advantageous industries such as curtains and hotel supplies.

Hankou North continues to deepen the integration of digital technology and real economy, driving the vigorous development of e-commerce. The Hankou North Live Streaming E-commerce Base has established multiple live streaming studios, including the Branded Clothing City, Hotel Supplies City, Coffee Street and Light Textile City, with over 200 new live streaming teams added. Online order volumes for categories such as apparel and home furnishings have surged, with daily live streaming GMV continuously setting new records. Additionally, North Hankou has been conducting free training programs for live-streaming e-commerce talents, successfully incubating over 50 well-known live-streaming hosts, promoting continuous upgrade of the live-streaming ecosystem.

Through years of adhering to the integration of exhibition and trade, North Hankou has established itself as a benchmark in the industry exhibition sector. During the Reporting Period, North Hankou hosted a series of exhibition and sales events, including the 14th Hankou North Curtain Industry Spring Ordering Fair 2025, the "China's Best Export Products Tour" at the Hubei Station and the "Joyful Shopping in Hubei" Consumer Season Campaign, the 7th World Health Expo Hankou North Traditional Chinese Medicine Culture Week 2025, and the Hankou North Summer Stationery Expo 2025, further enhancing the brand reputation of industry exhibitions.

Integrating culture, business and tourism, North Hankou is committed to creating a high-quality world-class shopping park. Leveraging its characteristic streets and themed towns, North Hankou has created a consumption scenario where "every week has a theme and every month produces a hit product." The May Day Carnival, themed "Shop Globally, Enjoy May Day", integrated traditional Chinese-style parades, family workshops and global direct procurement, attracting over one million participants. The 1980-themed district and "Hankou Town • Drama Wharf" debuted at the Chinese Culinary Expo, with their retro settings gaining significant attention and becoming a new highlight of Hubei's cultural and tourism consumption. Additionally, North Hankou launched customized weekend activities around Mother's Day, "520", and the Dragon Boat Festival, successfully creating joyful experiences that precisely reached diverse customer groups, which effectively enhanced brand warmth, regional popularity and overall influence.

Supply Chain Management and Trading

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

Shenzhen Sinoagri E-commerce Co., Ltd. ("**Sinoagri**"), a large-scale B2B trading platform for agricultural products under the Group, adhered to its customer-centric approach, and focused on dual drivers of quality improvement and efficiency enhancement in core businesses alongside digital innovation. It proactively advances strategic resource allocation and customer structure optimization, achieving operating revenue of RMB24.5 billion during the Reporting Period. In the first half of 2025, the global sugar market exhibited a "first rise, then decline" trend. At the beginning of the year, international sugar prices rose sharply due to reduced production in major producing countries such as India and Thailand. Starting in April, as Brazil, which accounts for 60% of global exports, increased its production capacity, the supply shortage was effectively alleviated, leading to a sustained decline in sugar prices. Benefiting from the recovery in domestic sugar production and a year-on-year decrease in sugar imports, the decline in domestic sugar prices narrowed to within 3%. Facing an increasingly volatile market environment, Sinoagri has focused on three key areas: resource integration, customer relationships deepening and digital empowerment. First, Sinoagri has directly connected with high-quality sugar companies in production areas to efficiently match production area resources with downstream demand, meeting the diversified procurement needs of downstream customers and strengthening control over the domestic sugar supply chain. Second, Sinoagri deepens its "customer-resource-product" integrated operational model, providing customized product and service solutions to cover over 70% of core customer groups' procurement needs. Third, Sinoagri continues to enhance online transaction activity, with the number of transaction customers rising by 13% year-on-year and increased customer loyalty; The online planting management platform independently developed by its agricultural business team has achieved full-process digital control of "plowing, planting, managing and harvesting" for 2,800 acres of bases. Through functions such as plot division, agricultural task distribution and biological asset monitoring, it has effectively improved agricultural production efficiency and standardization levels. Sinoagri has established three business scenarios: sugarcane seedling supply, agricultural fertilizer bulk procurement and cooperative planting, driving the cooperative sugarcane planting area to exceed 11,000 acres.

During the Reporting Period, the company continued to deepen resource integration in high-value-added sectors. In the coffee sector, the company actively expanded its global network of high-quality green coffee bean production regions, sending teams to core production areas such as Ethiopia, Peru, Costa Rica and Honduras for direct sourcing, effectively ensuring the stability of green coffee bean quality and delivery schedules. Meanwhile, Sinoagri focused on the core needs of large-scale domestic roasting factories and leading coffee and tea beverage chain brands, providing customized procurement solutions, stable quality assurance and efficient supply chain services, thereby significantly enhancing the company's bargaining power and brand influence. In the rubber sector, Sinoagri enters the market through a light-asset model, fully leveraging the geographical advantages of Yunnan, the main natural rubber-producing region, to rapidly establish three core business models: bulk procurement and distribution, raw material procurement services and fast spot trading matching. In the spice and seasoning sector, the Xinjiang Aqsu Spice and Seasoning Deep Processing Center has officially commenced operations, significantly enhancing local processing capabilities and successfully securing industry-leading enterprise clients such as Shandong Dashudafute Food Co., Ltd. and Sichuan Cuihong Food Co., Ltd.

To continuously strengthen business support capabilities, Sinoagri has prioritized the intelligent upgrading of its digital trade platform, developing four core capabilities: building a SaaS-based foundation, achieving AI-driven precise supply-demand matching, enabling trustworthy transactions through blockchain technology and strengthening financial security oversight. Meanwhile, Sinoagri has deepened the application of its "AI+" matrix, launching the "Sinoagri Core" all-domain ABI platform to integrate core indicators such as business and finance, human resources and others, thereby establishing an intelligent decision-making hub. The Company has also introduced tools such as AI assistants, intelligent market reports and Xiaoyi data Q&A to enhance operational efficiency, and has for the first time applied AI technology to core scenarios such as raw timber futures delivery, thereby strengthening resource sharing and business expansion capabilities. During the Reporting Period, the Company was successfully recognized as a national agricultural leading enterprise for its performance in industrial synergy, technological application and farmer engagement.

The HSH International Inc. ("**HSH**") of the Group operates under a "platform + supply chain services" model, integrating information, commodities and logistics resources. It has made significant planning in regards of digital supply chains, digitalized cloud factories, agile warehousing and logistics and industry-finance technology, providing supply chain services tailored to upstream and downstream customers in the chemical and plastic industries. During the period, HSH further refined its distribution categories and regional portfolio strategies. For PET product distribution, the focus was on the Central China and Southwest China markets to enhance sales network coverage and market share; for PP product distribution, the focus was on the South China and North China markets, leveraging precise market positioning and efficient channel development to expand market potential; meanwhile, new distribution channels for aromatic hydrocarbon products were established to diversify the product portfolio and enhance overall market competitiveness, thereby achieving the strategic goal of diversified development. To improve logistics efficiency and transparency, HSH actively developed a TMS system which is capable of efficiently handling key business processes such as logistics orders, quotation requests, transportation scheduling and fee calculation. Companies can communicate and interact with logistics carriers through the system and mini-programs, achieving real-time visibility of the entire logistics process, optimizing transportation routes and reducing transportation costs. Additionally, the "Yunnan Substrate Pot Project" launched in collaboration with Shenghaoda is progressing steadily. To continuously support substrate pot clients in expanding their industry influence and market share, HSH has established a comprehensive sales and recycling system to ensure effective recycling and reuse of substrate pots, maximizing resource utilization and driving the industry toward more environmentally friendly and sustainable development. As of 30 June 2025, the HSH platform had accumulated 56,088 clients, generating approximately RMB10.1 billion in revenue.

In the ferrous commodities sector, Shanghai Zall Steel E-commerce Co., Ltd. ("**Zall Steel**") under the Group leverages the "Smart Trading" core framework, combined with a dual-drive model of "supply chain service + technical services", to build a comprehensive service ecosystem encompassing smart trading, supply chain services, digital intelligence services, warehouse IoT, smart logistics and data information. Zall Steel has collaborated with 16 financial institutions to create a "multi-bank, multi-product" supply chain service supermarket, featuring core products such as Steel Purchase E-Chain, Supply Assurance E-Chain, E-Credit Treasure and Joyful Procurement E-Chain, precisely addressing enterprises' financing challenges. To date, it has served over 5,000 clients. Zall Steel also provides customers with safe and efficient warehousing and processing solutions. It has established 32 standard warehouses and 372 certified warehouses nationwide, serving over 5,000 cargo owners. Its self-developed digitalized warehouse invoice consortium blockchain system has obtained national intellectual property invention patent. Zall Steel's one-stop smart logistics platform, "Xiaohuo Zhiyun", integrates over 600 logistics carriers and 6,000 core transportation routes nationwide. Through intelligent matching algorithms, it achieves precise cargo-vehicle matching, ensuring cargo safety and information transparency throughout the process. Its services cover 260 prefecture-level cities nationwide, providing standardized and efficient logistics services to over 2,000 enterprises. In terms of market expansion, Zall Steel achieved a breakthrough in exporting finished steel products from Vietnam to the Taiwan market, while also driving product upgrades from raw materials to finished goods. During the Reporting Period, Zall Steel achieved operating revenue of approximately RMB7.5 billion. Thanks to its outstanding contributions to the industry, it has been honored with multiple awards, including Shanghai Municipal E-Commerce Demonstration Enterprise, Shanghai Top 100 Enterprise, and "Strengthening the Source and Helping Enterprises" Industry-Finance Service Base of Shanghai Futures Exchange.

In terms of business in Singapore, since its launch in October 2018, the Commodities Intelligence Centre (CIC) has focused on the online trading of bulk commodities, utilizing blockchain technology as its underlying infrastructure to reduce international trade risks, enhance operational efficiency and provide one-stop solutions. As of June 2025, the CIC platform had accumulated 16,965 registered users and a total transaction volume exceeding USD37.5 billion, with primary trading categories including coal, nickel, copper, iron and electrolytic copper. In 2025, CIC's supply chain financial services reached a new level, with deepening cooperation with ZMA Smart Capital Pte. Ltd., actively providing online financing solutions for small and medium-sized enterprises engaged in cross-border trade. Meanwhile, leveraging its platform's accumulated data and blockchain technology, CIC continuously improves the efficiency of value-added services, provides effective risk management, expands procurement channels, reduced transaction costs, and enhances transaction efficiency. As of 30 June 2025, CIC and other Singapore subsidiaries of the Group achieved operating revenue of approximately RMB32.2 billion.

The Group has achieved a significant growth in supply chain management and trading businesses through online and offline integrated development in recent years. Given appropriate opportunities, the Group will continue to expand to other sectors through organic growth or merger and acquisitions, thereby constantly enriching and improving the intelligent ecosphere of Zall Smart Commerce and further enhancing operational efficiency.

FUTURE PROSPECTS

The digital economy, as a new form of economy, has become an important driving force for high-quality economic development. Zall Smart Commerce has been vigorously building a matrix of intelligent trading platforms, providing comprehensive digital services covering trading, warehousing, logistics, finance and supply chain management for industries such as agricultural products, chemicals and plastics, ferrous metals, wholesale markets and cross-border trading, thus driving the transformation of traditional trade to digital trade. It has served over 300,000 enterprises to date.

Going forward, Zall Smart Commerce will continue to strengthen the research and development and application of digital technologies, and apply big data, artificial intelligence and other digital technologies to build a service system integrating "B2B trading services, supply chain services and digital technology cloud services", so as to help enterprises reduce costs and increase efficiency and further improve the synergies of trading efficiency, warehousing and logistics efficiency and capital efficiency. Additionally, the Company will leverage its industrial advantages and market demand to actively extend its service reach along the industrial chain, continuously improving operational efficiency and value, enhancing the stability and resilience of the industrial and supply chains, and collaborating with upstream and downstream enterprises and partners to jointly build an open, collaborative and mutually beneficial industrial ecosystem.

Management Discussion
and Analysis (continued)

INVESTMENT PORTFOLIO

The portfolio of listed equity investments of the Group as at 30 June 2025 and 31 December 2024 were as follows:

As at 30 June 2025

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost RMB'000	Carrying amount as at 30 June 2025 RMB'000	Unrealised holding loss arising on revaluation for the six months ended 30 June 2025 RMB'000	Realised holding loss arising on disposal for the six months ended 30 June 2025 RMB'000	Dividend received for the six months ended 30 June 2025 RMB'000
00607.HKEX	Fullshare Holdings Limited ("**Fullshare**")	11,819,250	1.86%	620,157	4,419	1,053	–	–

As at 31 December 2024

Stock code	Name of investee company	Number of shares held	Effective shareholding interest	Acquisition cost RMB'000	Carrying amount as at 31 December 2024 RMB'000	Unrealised holding loss arising on revaluation for the year ended 31 December 2024 RMB'000	Realised holding loss arising on disposal for the year ended 31 December 2024 RMB'000	Dividend received for the year ended 31 December 2024 RMB'000
00607.HKEX	Fullshare	11,819,250	1.86%	620,157	5,473	1,275	–	–

As at 30 June 2025, the Group held approximately 11,819,250 (31 December 2024: 11,819,250) shares in Fullshare, representing approximately 1.86% of its entire issued share capital (31 December 2024: 1.86%). Fullshare is listed on the Main Board of The Stock Exchange of Hong Kong Limited. Its principal activities are property development and investment, tourism, investment and financial services, provision of healthcare and education products and services business and new energy business. The Group recognized an unrealised holding loss of approximately RMB1.1 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: an unrealised holding loss of less than RMB1.7 million). The carrying amount of investment in Fullshare accounts for less than 0.01% of the Group's total assets as at 30 June 2025 (31 December 2024: less than 0.01%). The Group would like to emphasize that the unrealised holding loss is non-cash in nature and relates to the change in fair value of the Group's investment in Fullshare that is volatile in nature. The Group will closely monitor the performance of its investment and adjust its investment plan and portfolio when necessary.

Management Discussion
and Analysis (continued)

RESULTS OF OPERATION

Operating revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
— Revenue from sales of properties and related services	**45,952**	54,321
— Revenue from supply chain management and trading business	**90,693,400**	68,047,691
— Others	**1,733**	9,688
	90,741,085	68,111,700
Revenue from other sources		
Gross rentals from investment properties		
— Lease payments that are fixed	**116,961**	122,416
Financing income	**24,987**	31,029
Others	**38,442**	11,251
	90,921,475	68,276,396

Revenue of the Group increased by approximately 33.2% from approximately RMB68,276.4 million for the six months ended 30 June 2024 to approximately RMB90,921.5 million for the six months ended 30 June 2025. The increase was primarily due to the increase in revenue from supply chain management and trading business.

Revenue from supply chain management and trading business

The Group's revenue from supply chain management and trading business has contributed approximately 99.7% of the Group's total revenue for the six months ended 30 June 2025, and increased by approximately 33.3% compared to that from the same period last year due to the increase in the scale of supply chain management and trading business.

Rental income from investment properties

The Group's rental income decreased from approximately RMB122.4 million for the six months ended 30 June 2024 to approximately RMB117.0 million for the six months ended 30 June 2025, primarily due to the decrease in rented areas during the reporting period.

Management Discussion
and Analysis (continued)

Revenue from financing income

The Group's financing income decreased by approximately 19.5% from approximately RMB31.0 million for the six months ended 30 June 2024 to approximately RMB25.0 million for the six months ended 30 June 2025. The decrease was mainly due to the decrease in the scale of supply chain finance business of Shenzhen Sinoagri compared with that from the same period last year.

Revenue from sales of properties and related services

Revenue from the sale of properties and related services decreased by approximately 15.4% from approximately RMB54.3 million for the six months ended 30 June 2024 to approximately RMB46.0 million for the six months ended 30 June 2025.

The Group's revenue from sales of properties was generated from the sales of retail shops and auxiliary facilities units. The decrease in revenue from sales of properties was mainly due to the decrease in gross floor area delivered during the six months ended 30 June 2025.

Cost of sales

Cost of sales of the Group increased by approximately 33.5% from approximately RMB67,912.6 million for the six months ended 30 June 2024 to approximately RMB90,644.1 million for the six months ended 30 June 2025, which was in line with the increase in revenue.

Gross profit

Gross profit of the Group decreased by approximately 23.8% from approximately RMB363.8 million for the six months ended 30 June 2024 to approximately RMB277.3 million for the six months ended 30 June 2025. The Group's gross profit margin decreased from approximately 0.5% in the first half of 2024 to approximately 0.3% in the first half of 2025. It was mainly attributable to the decrease in the gross profit margin from the supply chain management and trading business for the six months ended 30 June 2025.

Other net income

Other net income of the Group decreased by approximately 65.3% from approximately RMB55.1 million for the six months ended 30 June 2024 to approximately RMB19.1 million for the six months ended 30 June 2025. The decrease was mainly attributable to the combine effect of (i) the decrease in government subsidies of approximately RMB16.3 million; (ii) the decrease in net gain in fair value change on forward contracts of approximately RMB9.9 million; and (iii) the net gain in fair value change on contingent consideration of approximately RMB11.8 million for the six months ended 30 June 2024, while no further gain or loss would be recognised as the underlying assets were disposed in 2024.

Selling and distribution expenses

Selling and distribution expenses of the Group increased by approximately 20.1% from RMB122.8 million for the six months ended 30 June 2024 to approximately RMB147.6 million for the six months ended 30 June 2025. The increase was mainly due to the increase in promotion expense of approximately RMB25.3 million.

Administrative and other expenses

Administrative and other expenses of the Group increased by approximately 3.5% from approximately RMB193.7 million for the six months ended 30 June 2024 to approximately RMB200.6 million for the six months ended 30 June 2025. The increase was mainly due to the combine effect of (i) the increase in staff cost of approximately RMB17.8 million; (ii) the decrease in professional fees of approximately RMB7.0 million; and (iii) the decrease in depreciation expense of approximately RMB5.7 million.

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

Impairment loss reversed under expected credit loss model of the Group for the six months ended 30 June 2025 was approximately RMB18.1 million, as compared to impairment loss recognised of approximately RMB42.6 million for the same period last year. The change was mainly caused by (i) a decrease in impairment loss recognised on rental receivables of approximately RMB35.7 million; (ii) impairment loss reversed on loans and factoring receivables of approximately RMB5.4 million for the six months ended 30 June 2025, compared to impairment loss of approximately RMB3.7 million for the six months ended 30 June 2024; and (iii) an increase in impairment loss reversed on other receivables of approximately RMB11.7 million.

Net valuation gain on investment properties

The Group holds a portion of properties which were developed for rental income and/or capital appreciation purposes. The Group's investment properties are revaluated at the end of the respective review period by an independent property valuer. The net valuation gain on investment properties increased by approximately 3.8% from approximately RMB294.5 million for the six months ended 30 June 2024 to approximately RMB305.7 million for the six months ended 30 June 2025. The increase was mainly due to additional properties transferred to investment properties during the period. The return of investment properties remains stable and the Group will closely monitor the performance of its investment and adjust its investment plan when necessary.

Finance income and costs

Finance income of the Group increased by approximately 2.2% from approximately RMB122.8 million for the six months ended 30 June 2024 to approximately RMB125.5 million for the six months ended 30 June 2025. There were no significant fluctuations compared to prior period.

Finance cost of the Group decreased by approximately 13.3% from approximately RMB338.9 million for the six months ended 30 June 2024 to approximately RMB293.8 million for the six months ended 30 June 2025. The decrease was mainly caused by (i) interest on interest-bearing borrowings waived by a lender of approximately RMB100.7 million; and (ii) an increase in bank charges and others of approximately RMB26.1 million.

Share of net (losses)/profits of associates

Share of net losses of associates was approximately RMB4.8 million for the six months ended 30 June 2025, compared to net profits of approximately RMB0.7 million for the six months ended 30 June 2024. The change was mainly attributed to the increase in net losses of certain associates during the period.

Share of net profits/(losses) of joint ventures

Share of net profits of joint ventures of the Group was approximately RMB7.4 million for the six months ended 30 June 2025, compared to net losses of approximately RMB0.2 million for the six months ended 30 June 2024. The change was mainly attributed to the increase in profits of one joint venture during the period.

Management Discussion
and Analysis (continued)

Income tax

Income tax decreased by approximately 62.6% from approximately RMB97.9 million for the six months ended 30 June 2024 to approximately RMB36.6 million for the six months ended 30 June 2025. The decrease was mainly due to reversal of over-provided PRC CIT of approximately RMB40.0 million in prior years (the remaining over-provision of PRC CIT was netted off with deferred tax expense on write-off of bad debt during the period).

Profit for the period

For the six months ended 30 June 2025, the Group recorded a net profit of approximately RMB70.0 million, representing an increase of approximately 71.7% over the amount of approximately RMB40.8 million for the six months ended 30 June 2024.

Liquidity and capital resources

As at 30 June 2025, the Group had net current liabilities of approximately RMB4,173.0 million (31 December 2024: approximately RMB4,725.1 million) and net assets of approximately RMB14,380.7 million (31 December 2024: approximately RMB14,343.0 million). Certain measures have been and are being taken to manage its liquidity needs and to improve its financial position, for instance, by implementing various strategies to improve the Group's income from supply chain management and trading business and rentals from investment properties to generate additional operating cash inflows, negotiating with banks and other financial institutions for roll-over or re-financing its existing borrowings, and considering raising additional capital by bank borrowings and share placement and disposing of non-core businesses and assets, where appropriate. As at 30 June 2025, equity attributable to equity shareholders of the Company amounted to approximately RMB14,016.0 million (31 December 2024: approximately RMB13,951.2 million), comprising issued capital of approximately RMB34.5 million (31 December 2024: approximately RMB34.5 million) and reserves of approximately RMB13,981.6 million (31 December 2024: approximately RMB13,916.8 million).

Cash position and treasury policies

The Group's cash and cash equivalents consist primarily of cash on hand and bank balances which are primarily held in RMB denominated accounts with banks in the PRC. As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately RMB1,531.3 million (31 December 2024: approximately RMB1,546.0 million). The Group regularly and closely monitors its funding and treasury position to meet the funding requirements of the Group by taking into consideration of the changes in economic conditions, future capital requirements and projected strategic investment opportunities.

Interest-bearing borrowings

The Group's total interest-bearing borrowings decreased by approximately 7.7% from approximately RMB14,831.4 million as at 31 December 2024 to approximately RMB13,684.8 million as at 30 June 2025. Majority of the interest-bearing borrowings were denominated in RMB, being the functional currency of the Group. Details of the interest rates and the maturity profile of borrowings during the six months ended 30 June 2025 are set out in note 18 to the unaudited condensed consolidated interim results of the Company in this report.

Management Discussion
and Analysis (continued)

Net gearing ratio

The Group's net gearing ratio increased from approximately 23.7% as at 31 December 2024 to approximately 33.4% as at 30 June 2025. The increase in net gearing ratio was mainly due to the increase in the amount of adjusted net debts, where total debt and pledged bank deposits both decreased. The net gearing ratio is calculated by dividing interest-bearing borrowings and lease liabilities net of cash and cash equivalents and pledged bank deposits, by total equity attributable to equity shareholders of the Company.

Foreign exchange risk

The Group's sales were primarily denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Accordingly, the Board expects any future exchange rate fluctuation will not have any material effect on the Group's business. As at 30 June 2025, the Group did not use any financial instruments for hedging purpose. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Charge on assets

As at 30 June 2025, the Group had pledged certain of its assets with a total book value of approximately RMB16,210.0 million (31 December 2024: approximately RMB16,863.1 million) and a total book value of approximately RMB7,189.1 million (31 December 2024: approximately RMB9,481.8 million) for the purpose of securing certain of the Group's interest-bearing borrowings and bills payables respectively.

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

The Group had no material acquisition or disposal of subsidiaries, associated companies and/or joint ventures during the six months ended 30 June 2025. The Group will continue to seek opportunities to sell non-core assets and businesses to enhance liquidity and devote investment resources to core businesses.

Significant investments held

Particulars of major properties (investment properties) of the Group as at 30 June 2025 are set out in note 8 to the unaudited condensed consolidated interim results of the Company in this report.

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

Save as disclosed above, the Group did not have other significant investments and future plans for the six months ended 30 June 2025.

Segment reporting

Details of the segment reporting of the Group for the six months ended 30 June 2025 are set out in note 3 to the unaudited condensed consolidated interim results of the Company in this report.

Contingent liabilities

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

As at 30 June 2025, the guarantees in relation to mortgage facilities granted to purchasers of the Group's properties amounted to approximately RMB68.8 million (31 December 2024: approximately RMB82.8 million). As at 30 June 2025, the Group provided a financial guarantee to third parties of approximately RMB67.1 million (31 December 2024: approximately RMB282.8 million).

CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board has issued a number of amendments to International Financial Reporting Standards that are first effective for the accounting period of six months ended 30 June 2025. For details, please refer to note 2 to the unaudited condensed consolidated interim results of the Company in this report.

EVENTS AFTER REPORTING PERIOD

Up to the date of this report, the Group did not have any material events occurred after the reporting period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 1,558 full time employees (30 June 2024: 1,628). Remuneration for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the six months ended 30 June 2025, the employee benefit expenses were approximately RMB146.4 million (for the six months ended 30 June 2024: approximately RMB129.6 million).

The Group has also adopted a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants, including the Directors, and full-time or part-time employees, executives or officers of the Group who had contributed to the success of the Group's operations. The Share Option Scheme has expired on 20 June 2021. In relation to the Share Option Scheme, 15,547,407 share options were outstanding as at 30 June 2025, no share option was lapsed, exercised or cancelled under the Share Option Scheme during the period. The Company has approved and adopted a new share option scheme (the "**2021 Share Option Scheme**") on 28 May 2021 to continue the grant of share options to eligible participants as incentives of rewards for their contribution or potential contribution to the Group. As at 30 June 2025, no share option had been granted under the 2021 Share Option Scheme.

The Group has also adopted a share award scheme (the "**Share Award Scheme**") on 10 December 2021 to recognise the contributions by any employees (including without limitation any director) of any member of the Group, who the administration committee of the Board considers, in their absolute discretion, to have contributed or will contribute to the Group, and to provide them with incentives in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. During the six months ended 30 June 2025, no awarded shares were granted, vested, cancelled or lapsed under the Share Award Scheme.

Disclosure of
Other Information

SHARE OPTION SCHEMES

(a) 2011 Share Option Scheme

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

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

1. Purpose of the Share Option Scheme

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

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

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

2. Participants of the Share Option Scheme

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Disclosure of
Other Information (continued)

10. Movement of Share Options during the period under review

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

Particulars of share options under the Share Option Scheme (the "**Share Options**") outstanding at the beginning and at the end of the six months ended 30 June 2025 and Share Options exercised, cancelled or lapsed during such period are as follows:

Category of participant	Date of Grant	Exercise price per share	Vesting date and exercise period	Options to subscribe for shares of the Company						Price per Share immediately before the date of grant	Price per Share on exercise date
				Balance as at 1 January 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Balance as at 30 June 2025		
Directors: Mr. Qi Zhiping	22 December 2017	HK$8.48	From the date when the exercise conditions are met to 21 December 2027 *(Note 1)*	777,371	–Nil–	–Nil–	–Nil–	–Nil–	777,371	HK$8.46	N/A *(Note 2)*
Spouse of Mr. Qi Zhiping	22 December 2017	HK$8.48	From the date when the exercise conditions are met to 21 December 2027 *(Note 1)*	13,992,665	–Nil–	–Nil–	–Nil–	–Nil–	13,992,665	HK$8.46	N/A *(Note 2)*
Employees of the Group	22 December 2017	HK$8.48	From the date when the exercise conditions are met to 21 December 2027 *(Note 1)*	777,371	–Nil–	–Nil–	–Nil–	–Nil–	777,371	HK$8.46	N/A *(Note 2)*
Total				15,547,407	–Nil–	–Nil–	–Nil–	–Nil–	15,547,407		

Notes:

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

2. No Share Options were lapsed, granted, exercised or cancelled during the six months ended 30 June 2025.

Save as disclosed above, there were no outstanding Share Options at the beginning and/or at the end of the six months ended 30 June 2025.

(b) 2021 Share Option Scheme

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

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

1. Purpose of the 2021 Share Option Scheme

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

2. Participants of the 2021 Share Option Scheme

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

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

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

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

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

The maximum number of shares which may be issued upon exercise of options which may be granted under the 2021 Share Option Scheme and any other share option schemes (if any) shall not in aggregate exceed 10% of the total number of shares in issue as at the adoption date (i.e. 1,178,282,580 shares). At the beginning and at the end of the six months ended 30 June 2025, 1,178,282,580 share options were available for grant under the 2021 Share Option Scheme. As at the date of this report, the number of shares available for issue under the 2021 Share Option Scheme and any other share option schemes (if any) amounted to 1,178,282,580 shares, representing approximately 9.5% of the issued share capital of the Company as at the date of this report.

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

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

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

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

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

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

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

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

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

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

8. The basis of determining the exercise price

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

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

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

(iii) the nominal value of a share.

9. The remaining life of the 2021 Share Option Scheme

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

During the six months ended 30 June 2025, no share option was granted, expired, lapsed, exercised or cancelled under the 2021 Share Option Scheme. There were no outstanding share options under the 2021 Share Option Scheme at the beginning and at the end of the six months ended 30 June 2025.

Disclosure of
Other Information (continued)

SHARE AWARD SCHEME

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

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

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

1. Purpose of the Share Award Scheme

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

2. Participants of the Share Award Scheme

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

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

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

The maximum number of Shares available for issue under the Share Award Scheme shall not in aggregate exceed 10% of the total number of Shares in issue as at the adoption date (i.e. 1,178,282,580 Shares). At the beginning and at the end of the six months ended 30 June 2025, 1,161,602,580 shares were available for grant under the Share Award Scheme. As at the date of this report, the number of Shares available for issue under the Share Award Scheme amounted to 1,161,602,580 shares, representing approximately 9.4% of the issued share capital of the Company.

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

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

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

   Not applicable.

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

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

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

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

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

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

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

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

During the six months ended 30 June 2025, no Awarded Shares were granted by the Company in accordance with the terms of the Share Award Scheme. No Awarded Shares had been vested, cancelled or lapsed during the six months ended 30 June 2025. There were no unvested Awarded Shares under the Share Award Scheme at the beginning and at the end of the six months ended 30 June 2025.

Disclosure of
Other Information (continued)

FURTHER UPDATE ON THE PROGRESS OF THE VERY SUBSTANTIAL ACQUISITION

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

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

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

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

CHANGES IN INFORMATION OF DIRECTORS

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

1. Mr. Cheung Ka Fai (an independent non-executive Director) resigned as the chief executive officer and joint company secretary of International Genius Company (formerly known as Amber Hill Financial Holdings Limited) (stock code: 33), a company listed on the Main Board of Stock Exchange, with effect from 28 July 2025.

2. Mr. Wu Ying (an independent non-executive Director) resigned as an independent director of BEST Inc. (NYSE: BEST), which is listed on the New York Stock Exchange, with effect from 7 March 2025.

3. Mr. Zhu Zhengfu (an independent non-executive Director) resigned as an independent director of Daan Gene Co., Ltd. (廣州達安基因股份有限公司) (stock code: 002030), which is listed on the Shenzhen Stock Exchange, with effect from 26 May 2025.

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

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

As at 30 June 2025, the interests or short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are being taken or deemed to have taken under such provision of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Interests in shares and underlying shares of the Company

Name of Director	Nature of interest	Number of ordinary shares/ underlying shares held as at 30 June 2025		Approximate percentage of shareholding as at 30 June 2025[4]
Mr. Yan Zhi	Interest of controlled corporations	8,633,306,868 (L)	[1]	69.63%
	Beneficial owner	73,833,000 (L)		0.60%
Dr. Gang Yu	Beneficial owner	270,000 (L)		0.00%
	Interest of spouse	11,800,000 (L)		0.10%
	Interest of controlled corporation	90,690,840 (L)	[3]	0.73%
Mr. Qi Zhiping	Beneficial owner	4,294,551 (L)	[2](a)	0.03%
	Interest of spouse	16,771,924 (L)	[2](b)	0.14%
Mr. Yu Wei	Beneficial owner	290,000 (L)		0.00%
Ms. Fan Xiaolan	Beneficial owner	270,000 (L)		0.00%
Mr. Cheung Ka Fai	Beneficial owner	180,000 (L)		0.00%
Mr. Wu Ying	Beneficial owner	180,000 (L)		0.00%
Mr. Zhu Zhengfu	Beneficial owner	180,000 (L)		0.00%

(L) represents long position.

Notes:

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

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

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

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

(4) The percentages are calculated based on the total number of shares of the Company in issue as at 30 June 2025 which was 12,399,505,800.

Disclosure of
Other Information (continued)

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be maintained under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

So far as is known to any Director, as at 30 June 2025, the following persons, other than a Director or chief executive of the Company, had or deemed or taken to have an interest or short position in the shares or underlying shares of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of ordinary shares/ underlying shares held as at 30 June 2025	Approximate percentage of shareholding as at 30 June 2025[3]
Substantial shareholder			
Zall Development Investment	Beneficial owner	7,323,906,268 (L) [1]	59.07%
Zall Holdings	Beneficial owner	1,309,400,600 (L) [1]	10.56%
Other persons			
China Huarong Asset Management Co., Ltd.	Interest of controlled corporation	685,689,000 (L) [2]	5.53%
Huarong Huaqiao Asset Management Co., Ltd.	Interest of controlled corporation	685,689,000 (L) [2]	5.53%
Leung Fredric Hin Hang	Others	685,689,000 (L) [3]	5.53%
So Kit Yee Anita	Others	685,689,000 (L) [3]	5.53%

(L) represents long position.

Notes:

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

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

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

(4) The percentages are calculated based on the total number of Shares of the Company in issue as at 30 June 2025 which was 12,399,505,800.

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

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

Save as disclosed above, as at 30 June 2025, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its corporate governance code of practices. In the opinion of the Board, the Company had complied with all the code provisions as set out in the CG Code throughout the six months ended 30 June 2025.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as the code for dealing in securities of the Company by the Directors during the six months ended 30 June 2025. The Board confirms that, having made specific enquiries with each of the Directors, all Directors have complied with the required standards of the Model Code during the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any treasury shares).

DEED OF NON-COMPETITION

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

As at 30 June 2025, except North Hankou Zall Life City — Phase II, all of the Remaining Non-core Projects (as defined in the Restructuring Circular) have been disposed of. North Hankou Zall Life City — Phase II is a residential project with gross floor area of approximately 207,000 square metres in North Hankou region. The project has been substantially completed and most of the properties have been sold, with approximately 25,600 square metres remaining. The Group will sell the remaining properties in line with market conditions.

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

Disclosure of
Other Information (continued)

REVIEW OF THE INTERIM REPORT

The interim financial report for the six months ended 30 June 2025 is unaudited and has not been reviewed by the auditors of the Company, but has been reviewed by the audit committee of the Company (the "**Audit Committee**"). The Audit Committee has reviewed with the management of the Company the Group's unaudited condensed consolidated interim results and financial report for the six months ended 30 June 2025 and has also reviewed and confirmed the accounting principles and practises adopted by the Group and discussed the auditing, internal control, risks management and financial reporting matters of the Group.

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

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

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. In the auditor's report dated 31 March 2025, the auditors expressed an unqualified opinion on those financial statements but drew attention to conditions which indicated the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

DIRECTORS

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

By order of the Board
Zall Smart Commerce Group Ltd.
Yan Zhi
Chairman

Hong Kong, 29 August 2025

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

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Note	For the six months ended 30 June 2025 RMB'000	2024 RMB'000
Revenue	3(a)	**90,921,475**	68,276,396
Cost of sales		**(90,644,136)**	(67,912,566)
Gross profit		**277,339**	363,830
Other net income	4	**19,093**	55,065
Selling and distribution expenses		**(147,551)**	(122,849)
Administrative and other expenses		**(200,553)**	(193,692)
Impairment loss reversed/(recognised) under expected credit loss model, net		**18,132**	(42,596)
(Loss)/gain from operations before changes in fair value of investment properties		**(33,540)**	59,758
Net valuation gain on investment properties	8	**305,747**	294,534
Profit from operations		**272,207**	354,292
Finance income	5(a)	**125,523**	122,803
Finance costs	5(a)	**(293,809)**	(338,891)
Share of net (losses)/profits of associates		**(4,769)**	651
Share of net profits/(losses) of joint ventures		**7,418**	(223)
Profit before taxation	5	**106,570**	138,632
Income tax	6	**(36,598)**	(97,872)
Profit for the period		**69,972**	40,760
Attributable to:			
Equity shareholders of the Company		**97,051**	49,817
Non-controlling interests		**(27,079)**	(9,057)
Profit for the period		**69,972**	40,760
Earnings per share (RMB cents)			
Basic and diluted	7	**0.78**	0.40

The notes on pages 39 to 74 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in notes 20(a).

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

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit for the period	**69,972**	40,760
Other comprehensive loss for the period		
Items that may be reclassified subsequently to profit or loss:		
— Exchange differences on translation of foreign operations, with nil tax impact	**(32,221)**	(2,682)
Other comprehensive loss for the period	**(32,221)**	(2,682)
Total comprehensive income for the period	**37,751**	38,078
Attributable to:		
Equity shareholders of the Company	**64,830**	47,135
Non-controlling interests	**(27,079)**	(9,057)
Total comprehensive income for the period	**37,751**	38,078

The notes on pages 39 to 74 form part of this interim financial report.

Interim Condensed Consolidated Statement of **Financial Position**

as at 30 June 2025 — unaudited
(Expressed in Renminbi)

	Note	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Non-current assets			
Investment properties	*8*	**25,194,024**	24,879,292
Property, plant and equipment	*9*	**336,841**	336,042
Intangible assets		**414,853**	416,889
Goodwill	*10*	**251,498**	251,498
Interests in associates		**326,242**	343,512
Interests in joint ventures		**147,228**	30,113
Equity investments at fair value through other comprehensive income		**80,408**	80,408
Contract assets	*11(a)*	**54,220**	30,564
Deferred tax assets		**416,772**	498,414
		27,222,086	26,866,732
Current assets			
Inventories	*13*	**4,328,550**	3,975,854
Trade and other receivables	*14*	**28,562,645**	26,286,928
Financial assets at fair value through profit or loss	*12*	**25,936**	37,788
Amounts due from related parties and non-controlling shareholders of subsidiaries	*24(d)*	**588,736**	729,527
Prepaid taxes		**28,572**	27,903
Pledged bank deposits	*15*	**7,494,483**	10,014,072
Cash and cash equivalents	*16*	**1,531,290**	1,545,952
		42,560,212	42,618,024
Current liabilities			
Trade and other payables	*17*	**18,380,210**	18,755,310
Contract liabilities	*11(b)*	**16,872,656**	14,924,656
Lease liabilities		**6,688**	6,901
Amounts due to related parties and non-controlling shareholders of subsidiaries	*24(e)*	**1,409,392**	1,523,142
Interest-bearing borrowings	*18*	**9,640,129**	11,568,152
Current taxation		**424,176**	564,926
		46,733,251	47,343,087
Net current liabilities		**(4,173,039)**	(4,725,063)
Total assets less current liabilities		**23,049,047**	22,141,669

Interim Condensed Consolidated Statement of
Financial Position (continued)

as at 30 June 2025 — unaudited
(Expressed in Renminbi)

	Note	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Non-current liabilities			
Interest-bearing borrowings	*18*	**4,044,646**	3,263,285
Deferred income		**1,864**	1,864
Lease liabilities		**19,530**	22,826
Deferred tax liabilities		**4,602,303**	4,510,741
		8,668,343	7,798,716
NET ASSETS		**14,380,704**	14,342,953
CAPITAL AND RESERVES	*20*		
Share capital		**34,454**	34,454
Reserves		**13,981,593**	13,916,763
Total equity attributable to equity shareholders of the Company		**14,016,047**	13,951,217
Non-controlling interests		**364,657**	391,736
TOTAL EQUITY		**14,380,704**	14,342,953

Approved and authorised for issue by the Board of Directors on 29 August 2025.

Yan Zhi
Chairman, Executive Director and
Co-chief executive officer

Qi Zhiping
Executive Director and
Co-chief executive officer

The notes on pages 39 to 74 form part of this interim financial report.

Interim Condensed Consolidated Statement of
Changes in Equity

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company												
	Share capital RMB'000	Share premium RMB'000	Shares held for various incentive plan RMB'000	PRC statutory reserve RMB'000	Other reserve RMB'000	Exchange reserve RMB'000	Revaluation reserve RMB'000	Equity-settled share-based payment reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024	34,454	4,766,905	(39,029)	396,394	163,895	(66,786)	36,946	51,991	(9,375)	8,468,866	13,804,261	402,424	14,206,685
Changes in equity for the six months ended 30 June 2024:													
Profit/(loss) for the period	–	–	–	–	–	–	–	–	–	49,817	49,817	(9,057)	40,760
Other comprehensive loss for the period:													
Exchange differences on translation of financial statements of operations outside the PRC	–	–	–	–	–	(2,682)	–	–	–	–	(2,682)	–	(2,682)
Total comprehensive income/(loss) for the period	–	–	–	–	–	(2,682)	–	–	–	49,817	47,135	(9,057)	38,078
Capital injection from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	8,340	8,340
Others	–	–	–	(15)	–	–	–	–	–	(4,349)	(4,364)	(4,088)	(8,452)
Balance at 30 June 2024	34,454	4,766,905	(39,029)	396,379	163,895	(69,468)	36,946	51,991	(9,375)	8,514,334	13,847,032	397,619	14,244,651
Balance at 1 January 2025	**34,454**	**4,766,905**	**(39,029)**	**395,459**	**163,895**	**(48,783)**	**36,946**	**51,991**	**(9,375)**	**8,598,754**	**13,951,217**	**391,736**	**14,342,953**
Changes in equity for the six months ended 30 June 2025:													
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**97,051**	**97,051**	**(27,079)**	**69,972**
Other comprehensive loss for the period:													
Exchange differences on translation of financial statements of operations outside the PRC	**–**	**–**	**–**	**–**	**–**	**(32,221)**	**–**	**–**	**–**	**–**	**(32,221)**	**–**	**(32,221)**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**–**	**(32,221)**	**–**	**–**	**–**	**97,051**	**64,830**	**(27,079)**	**37,751**
Balance at 30 June 2025	**34,454**	**4,766,905**	**(39,029)**	**395,459**	**163,895**	**(81,004)**	**36,946**	**51,991**	**(9,375)**	**8,695,805**	**14,016,047**	**364,657**	**14,380,704**

The notes on pages 39 to 74 form part of this interim financial report.

Condensed Consolidated
Cash Flow Statement

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Operating activities		
Cash used in operations	**(1,236,476)**	(3,395,119)
Income tax paid	**(15,178)**	(16,617)
Net cash used in from operating activities	**(1,251,654)**	(3,411,736)
Investing activities		
Payment for purchase of property, plant and equipment and investment properties	**(19,420)**	(5,136)
Payment for purchase of intangible assets	**(16,617)**	(11,273)
Proceeds from disposal of property, plant and equipment	**69**	11,591
Decrease in pledged bank deposits	**2,519,589**	4,319,187
Interest received	**125,523**	122,803
Capital contributions to associates	**–**	(49,000)
Net proceeds from disposal of associates	**12,501**	–
Payment for investment in joint ventures	**(109,697)**	–
Proceeds from financial assets at fair value through profit or loss	**696,652**	221,253
Purchase of financial assets at fair value through profit or loss	**(666,400)**	(180,738)
Advances to related parties and non-controlling shareholders of subsidiaries	**(252,827)**	(1,267,365)
Repayment from related parties and non-controlling shareholders of subsidiaries	**369,888**	978,645
Net cash generated from investing activities	**2,659,261**	4,139,967

Condensed Consolidated
Cash Flow Statement (continued)

for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2025	2024
	Note	**RMB'000**	RMB'000
Financing activities			
Advances from related parties and non-controlling shareholders of subsidiaries		**44,013**	523,697
Repayment to related parties and non-controlling shareholders of subsidiaries		**(222,519)**	(173,185)
Proceeds from new bank loans and loans from other financial institutions raised		**6,044,698**	511,695
Repayment of bank loans and loans from other financial institutions		**(7,045,071)**	(1,276,369)
Proceeds from other loans raised		**6,000**	97,455
Repayment of other loans		**(152,290)**	(92,128)
Interest and other borrowing costs paid		**(54,816)**	(67,801)
Proceeds from capital injection from non-controlling shareholders of subsidiaries		**–**	8,340
Capital element of lease rentals paid		**(8,694)**	(14,904)
Interest element of lease rentals paid		**(621)**	(520)
Net cash used in financing activities		**(1,389,300)**	(483,720)
Net increase in cash and cash equivalents		**18,307**	244,511
Cash and cash equivalents at 1 January	*16*	**1,545,952**	1,782,996
Effect of foreign exchange rate changes		**(32,969)**	(2,681)
Cash and cash equivalents at 30 June	*16*	**1,531,290**	2,024,826

The notes on pages 39 to 74 form part of this interim financial report.

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

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 29 August 2025.

The interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

The interim condensed consolidated financial statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Zall Smart Commerce Group Ltd. (the "**Company**") and its subsidiaries (together referred to as the "**Group**") since the 2024 annual financial statements. These interim condensed consolidated financial statements and notes thereon do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with International Accounting Standards and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024.

The financial information relating to the year ended 31 December 2024 that is included in the interim condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2024 are available from the Company's registered office. In the auditor's report dated 31 March 2025, the auditors expressed an unqualified opinion on those financial statements but drew attention to conditions which indicated existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

As at 30 June 2025, the Group had net current liabilities of approximately RMB4,173,039,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

1 BASIS OF PREPARATION *(Continued)*

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

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

— the Group is actively and regularly reviewing its capital structure, negotiating with banks and other financial institutions for roll-over or re-financing its existing borrowings and will consider raising additional funding by bank borrowings and share placement where appropriate; and

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

In addition, as disclosed in note 18, bank loans and loans from other financial institutions of RMB3,732,407,000 (31 December 2024: RMB3,727,854,000) were guaranteed and/or secured by certain investment properties, properties under development for sale, completed properties held for sale and other assets of the Group with their carrying amount of RMB12,439,168,000 (31 December 2024: RMB12,297,563,000) in aggregate as at 30 June 2025 and bank loans and loans from other financial institutions of RMB1,587,358,000 (31 December 2024: RMB1,396,418,000) were guaranteed by corporate guarantees of certain of the Group's subsidiaries. The Group considered that the carrying amounts of the pledged assets are far exceeding the carrying amounts of the corresponding borrowings, therefore, management considered that the roll-over or refinancing of a substantial portion of the existing borrowings to extend the repayment dates to beyond twelve months from the end of the reporting period would be succeeded. In making this assessment, the Group has considered, among other things, the nature, the value and the volatility of value of its overall property portfolio, including those properties that are currently not pledged.

After considering the above, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the next twelve months from the end of the reporting period. Consequently, the interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared on a going concern basis. Should the Group be unable to achieve the above plans and measures such that it would not be operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts and to provide for financial liabilities which might arise. The effect of these adjustments has not been reflected in the interim condensed consolidated financial statements.

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

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these interim condensed consolidated financial statements for the current accounting period. The amendments do not have a material impact on this interim report as the group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

(i) Disaggregation of revenue

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15:		
Disaggregated by major products or service lines		
— Revenue from sales of properties and related services	**45,952**	54,321
— Revenue from supply chain management and trading business	**90,693,400**	68,047,691
— Others	**1,733**	9,688
	90,741,085	68,111,700
Revenue from other sources		
Gross rentals from investment properties		
— Lease payments that are fixed	**116,961**	122,416
Financing income	**24,987**	31,029
Others	**38,442**	11,251
	180,390	164,696
	90,921,475	68,276,396

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(a) Revenue *(Continued)*

(i) Disaggregation of revenue *(Continued)*

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15:		
Disaggregated by geographical markets		
— The PRC	**58,523,228**	55,771,083
— Singapore	**32,217,857**	12,340,617
Total	**90,741,085**	68,111,700
Timing of revenue recognition		
A point in time	**90,695,551**	68,064,119
Over time	**45,534**	47,581
Total	**90,741,085**	68,111,700

The Group's customer base is diversified and the Group does not have any single customer with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2025 and 2024.

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

As at 30 June 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB188,534,000 (31 December 2024: RMB188,993,000). This amount represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development and construction contracts entered into by the customers with the Group. This amount includes the interest component of pre-completion properties sales contracts under which the Group obtains significant financing benefits from the customers. The Group will recognise the expected revenue in the future when or as the work is completed or, in the case of the properties under development for sale, when the properties are accepted by the customer or deemed as accepted according to the contract (whichever is earlier), which is expected to occur over the next 1 to 24 months (31 December 2024: next 1 to 24 months).

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

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting

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

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

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

(i) Segment results, assets and liabilities

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

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

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

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

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

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

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

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2025 and 2024 is set out below.

	Property development and related services		Supply chain management and trading		Total	
	2025 RMB'000	2024 RMB'000	**2025 RMB'000**	2024 RMB'000	**2025 RMB'000**	2024 RMB'000
Reportable segment revenue	**163,148**	176,698	**90,756,594**	68,090,010	**90,919,742**	68,266,708
Reportable segment profit	**71,529**	64,380	**(109,948)**	(54,301)	**(38,419)**	10,079
Other segment information:						
Net valuation gain on investment properties	**305,747**	294,534	**–**	–	**305,747**	294,534
Finance income	**19**	11	**125,503**	122,789	**125,522**	122,800
Finance costs	**(38,817)**	(67,518)	**(251,004)**	(271,347)	**(289,821)**	(338,865)
Impairment loss reversed/(recognised) under expected credit loss model, net	**(3,760)**	(28,027)	**6,774**	(14,795)	**3,014**	(42,822)
Depreciation and amortisation	**(10,440)**	(13,005)	**(25,484)**	(33,679)	**(35,924)**	(46,684)
Share of net losses of associates	**–**	–	**(5,409)**	(2,261)	**(5,409)**	(2,261)
Share of net profits/(losses) of joint ventures	**–**	–	**7,418**	(223)	**7,418**	(223)
Additions to non-current segment assets during the period	**15,594**	2,214	**41,093**	18,038	**56,687**	20,252
As at 30 June/31 December						
Reportable segment assets	**27,856,823**	27,848,624	**39,402,623**	39,402,687	**67,259,446**	67,251,311
Reportable segment liabilities	**3,358,252**	3,632,842	**44,819,699**	43,617,984	**48,177,951**	47,250,826

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

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	**90,919,742**	68,266,708
Other revenue	**1,733**	9,688
Consolidated revenue (note 3(a))	**90,921,475**	68,276,396
Profit		
Reportable segment (loss)/profit	**(38,419)**	10,079
Other net income	**19,093**	55,065
Net valuation gain on investment properties	**305,747**	294,534
Finance income	**125,523**	122,803
Finance costs	**(293,809)**	(338,891)
Share of net (losses)/profits of associates	**(4,769)**	651
Share of net profits/(losses) of joint ventures	**7,418**	(223)
Unallocated head office and corporate expenses	**(14,214)**	(5,386)
Consolidated profit before taxation	**106,570**	138,632

3 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(iii) Geographic information

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

	Revenue from external customers		Specified non-current assets	
	For the six months ended 30 June 2025 RMB'000	For the six months ended 30 June 2024 RMB'000	**30 June 2025 RMB'000**	31 December 2024 RMB'000
The PRC	**58,703,618**	55,935,779	**26,668,642**	26,255,302
Singapore	**32,217,857**	12,340,617	**2,044**	2,044
	90,921,475	68,276,396	**26,670,686**	26,257,346

The analysis above includes property rental income from external customers in the PRC for the six months ended 30 June 2025 of RMB116,961,000 (six months ended 30 June 2024: RMB122,416,000).

4 OTHER NET INCOME

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Net fair value changes on financial instruments at fair value through profit or loss:		
— listed equity securities	**(1,053)**	(1,731)
— wealth management products and trust products	**16,633**	10,340
— forward contracts	**2,820**	12,703
— contingent consideration	**–**	11,791
	18,400	33,103
Government subsidies	**5,982**	22,291
Penalties on purchase order cancellation and commodities defects	**(4,263)**	–
Others	**(1,026)**	(329)
	19,093	55,065

5 PROFIT BEFORE TAXATION

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

(a) Finance (income)/costs

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Finance income		
Interest income from bank deposits	**(125,523)**	(122,803)
Finance costs		
Interest on interest-bearing borrowings	**257,249**	338,215
Interest on lease liabilities	**621**	520
Other borrowing costs	**1,907**	2,963
Less: Amounts capitalised into properties under development	**(37,462)**	(42,839)
	222,315	298,859
Bank charges and others	**68,970**	42,906
Net foreign exchange losses/(gains)	**2,524**	(2,874)
	293,809	338,891

5 PROFIT BEFORE TAXATION *(Continued)*

(b) Other items

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Amortisation of intangible assets	**18,653**	20,611
Depreciation on		
— property, plant and equipment (other than right-of-use assets)	**14,787**	19,076
— right-of-use assets	**8,980**	11,393
	42,420	51,080
Staff costs		
— Salaries, wages and other benefits	**136,454**	119,102
— Contributions to defined contribution retirement plans	**9,950**	10,479
	146,404	129,581
Research and development costs (included in administrative and other expenses)	**7,223**	7,255
Impairment losses (reversed)/recognised under expected credit loss model, net:		
— trade debtors and bills receivable	**2,777**	6,561
— rental receivables	**12,461**	48,111
— loans and factoring receivables	**(5,383)**	3,688
— other receivables	**(27,034)**	(15,341)
— advance to suppliers	**(953)**	(423)
Cost of commodities sold	**90,620,098**	67,897,590
Cost of properties sold	**13,157**	3,453

6 INCOME TAX

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax		
— The PRC Corporate Income Tax ("**PRC CIT**")	**14,561**	22,635
— The PRC Land Appreciation Tax ("**PRC LAT**")	**–**	1,015
	14,561	23,650
Over-provision in prior years		
PRC CIT	**(151,121)**	–
Deferred tax		
Origination and reversal of temporary differences	**173,158**	74,222
	36,598	97,872

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

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made as the Group did not earn any assessable income subject to Hong Kong Profits Tax for the six months ended 30 June 2025 and 2024.

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

(iii) Pursuant to the rules and regulations applicable to encouraged industries in the PRC western development strategy and e-commerce industry in Guangxi Zhuang Autonomous Region, one subsidiary of the Group is subject to PRC CIT at a preferential tax rate of 15% for the six months ended 30 June 2025 and 2024, and two subsidiaries of the Group are subject to PRC CIT at a preferential tax rate of 9% for the six months ended 30 June 2025 and 2024. Pursuant to the rules and regulations applicable to advanced technology enterprises of the PRC, three subsidiaries of the Group are subject to PRC CIT at a preferential tax rate of 15% for the six months ended 30 June 2025 and 2024. The application of preferential tax rate is reviewed by the tax authority annually.

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

6 INCOME TAX *(Continued)*

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

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

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

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

While the PRC has yet to introduce its draft legislation for implementation of the Pillar Two Model Rules, including the tax law that implements the global minimum tax and qualified domestic minimum top-up tax. Besides, as the Group's estimated effective tax rates of Singapore in which the Group operates is higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules. Based on the assessment for the six months ended 30 June 2025, the Group does not expect to have any Pillar Two exposure (including current tax) arising in these jurisdictions. Overall, based on the assessment for the period ended 30 June 2025 and the information currently available, the impact of these rules on the Group's income tax position is not expected to be material.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the earnings attributable to ordinary equity shareholders of the Company of RMB97,051,000 (six months ended 30 June 2024: RMB49,817,000) and the weighted average of 12,399,506,000 ordinary shares in issue during the six months ended 30 June 2025 (six months ended 30 June 2024: 12,399,506,000).

(b) Diluted earnings per share

There were no potential dilutive ordinary shares outstanding due to outstanding share options, because the exercise price of those share options was higher than the average market price for ordinary shares during six months ended 2024 and 2025.

8 INVESTMENT PROPERTIES

The Group's investment properties carried at fair value were revalued as at 30 June 2025 by an independent firm of surveyors, using the same valuation techniques as were used by this valuer when arranging out the December 2024 valuations.

During the six months ended 30 June 2025, the Group transferred certain completed properties held for sale to investment properties when there was an actual change in use from sale to earning rental income purpose, which were evidenced by inception of operating lease as stipulated in the lease agreements entered into by the Group. Accordingly, a fair value gain of RMB126,324,000 (six months ended 30 June 2024: RMB120,150,000) was recognised in profit or loss upon transfer.

As a result of the update, a net fair value gain of RMB305,747,000 (six months ended 30 June 2024: RMB294,534,000), and deferred tax charge thereof of RMB76,437,000 (six months ended 30 June 2024: RMB73,633,000), has been recognised in profit or loss in respect of investment properties.

As at 30 June 2025, the Group's completed investment properties and investment properties under development with carrying value of RMB11,960,698,000 (31 December 2024: RMB11,797,309,000) in aggregate were pledged as collateral for the Group's interest-bearing borrowings (note 18).

Fair value measurement of properties

(i) Fair value hierarchy

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

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

(Expressed in Renminbi unless otherwise indicated)

8 INVESTMENT PROPERTIES *(Continued)*

Fair value measurement of properties *(Continued)*

(ii) Information about Level 3 fair value measurements

	Valuation techniques	Unobservable input	Range
Completed investment properties	Income capitalisation method	Term yield	5.0% (31 December 2024: 5.0%)
		Reversion yield	5.0% (31 December 2024: 5.0%)
		Market monthly rental rate (RMB/sq.m.)	8.7–121.4 (31 December 2024: 8.1–115.6)
		Occupancy rate	0%–95% (31 December 2024: 0%–95%)
Investment properties under development	Income capitalisation method	Term yield	5.0% (31 December 2024: 5.0%)
		Reversion yield	5.0% (31 December 2024: 5.0%)
		Market monthly rental rate (RMB/sq.m.)	8.7–121.4 (31 December 2024: 8.1–115.6)
		Occupancy rate	0%–95% (31 December 2024: 0%–95%)

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

9 PROPERTY, PLANT AND EQUIPMENT

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

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with aggregate costs of RMB19,939,000 (six months ended 30 June 2024: RMB5,136,000).

Items of property, plant and equipment with net book value of RMB99,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB11,554,000), resulting in a loss on disposal of RMB30,000 (six months ended 30 June 2024: a gain on disposal of RMB37,000).

As at 30 June 2025, the ownership certificates for certain buildings with net book value of RMB45,375,000 have not been obtained (31 December 2024: RMB43,206,000).

As at 30 June 2025, the Group's buildings with net book value of RMB28,275,000 (31 December 2024: RMB28,481,000) were pledged as collateral for the Group's interest-bearing borrowings (note 18).

10 GOODWILL

	RMB'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	1,771,367
Accumulated impairment losses:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	(1,519,869)
Carrying amount:	
At 30 June 2025	251,498
At 31 December 2024	251,498

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	30 June 2025 RMB'000	31 December 2024 RMB'000
Contract assets		
Arising from performance under construction contracts	**54,220**	30,564
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" *(note 14)*	**10,029,568**	8,665,652

The amount of contract assets that is expected to be recovered after more than one year is RMB54,220,000 (31 December 2024: RMB30,564,000) as at 30 June 2025.

11 CONTRACT ASSETS AND CONTRACT LIABILITIES *(Continued)*

(b) Contract liabilities

	30 June 2025 RMB'000	31 December 2024 RMB'000
Property development and related services		
— Forward sales deposits and instalments received	**147,793**	148,046
Supply chain management and trading		
— Deposits received from third parties	**16,697,989**	14,748,698
Others		
— Deposits received	**26,874**	27,912
	16,872,656	14,924,656

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Financial assets at fair value through profit or loss		
Listed equity securities in Hong Kong		
— Fullshare Holdings Limited	**4,419**	5,473
Wealth management products and trust products (i)	**–**	10,000
Forward contracts	**21,517**	22,315
	25,936	37,788

(i) The amount represents investments in wealth management products and trust products issued by reputable financial institutions in the PRC. There are no fixed or determinable returns of these wealth management products and trust products. Wealth management products and trust products with an aggregate carrying amount of RMBNil (31 December 2024: RMBNil) were pledged as collateral for the Group's bills payables (note 17).

13 INVENTORIES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Properties under development for sale	**1,597,665**	1,553,542
Completed properties held for sale	**1,040,862**	1,039,348
Commodities	**1,690,023**	1,382,964
	4,328,550	3,975,854

As at 30 June 2025, properties under development for sale with an aggregate carrying value of RMB251,803,000 (31 December 2024: RMB252,668,000) and completed properties held for sale with an aggregate carrying value of RMB175,907,000 (31 December 2024: RMB172,872,000) were pledged as collateral for the Group's interest-bearing borrowings (note 18).

14 TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade receivables, net of loss allowance	**10,097,931**	8,725,888
Loans and factoring receivables, net of loss allowance	**1,225,829**	1,282,860
	11,323,760	10,008,748
Advances to suppliers	**15,439,028**	13,981,971
Other receivables, deposits and prepayments	**1,799,857**	2,296,209
	28,562,645	26,286,928

As at 30 June 2025, other receivables of RMB250,000 (31 December 2024: RMB8,250,000) were pledged as collateral for the Group's interest-bearing borrowings (note 18).

14 TRADE AND OTHER RECEIVABLES *(Continued)*

(a) Ageing analysis of trade receivables

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 6 months	**9,754,517**	7,739,161
Over 6 months but within 12 months	**234,728**	821,325
Over 12 months	**108,686**	165,402
	10,097,931	8,725,888

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

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Secured loans receivable, net of loss allowance *(i)*	**1,087,346**	1,106,477
Factoring receivables, net of loss allowance	**138,483**	176,383
	1,225,829	1,282,860

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

14 TRADE AND OTHER RECEIVABLES *(Continued)*

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

Ageing analysis

As at the end of the reporting period, the ageing analysis of loans and factoring receivables, based on drawn-down date of loans and factoring receivables and net of allowance for doubtful debts, is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 6 months	**1,142,061**	1,077,822
Over 6 months but within 12 months	**30,335**	117,935
Over 12 months	**53,433**	87,103
	1,225,829	1,282,860

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

15 PLEDGED BANK DEPOSITS

	Note	**30 June 2025 RMB'000**	31 December 2024 RMB'000
Secured for letter of credit and bills payables	*17*	**7,189,095**	9,841,835
Secured for bank loans	*18*	**22,235**	37,983
Others		**283,153**	134,254
		7,494,483	10,014,072

16 CASH AND CASH EQUIVALENTS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Cash at banks and on hand	**1,531,290**	1,545,952

At 30 June 2025, cash and cash equivalents and pledged bank deposits with aggregate amount of RMB8,718,112,000 (31 December 2024: RMB10,882,805,000) were placed with banks in the PRC. Remittance of funds out of the PRC is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

17 TRADE AND OTHER PAYABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade and bills payables (i)	**13,531,298**	14,779,661
Receipts in advance (ii)	**71,914**	76,313
Other payables and accruals	**4,776,998**	3,899,336
	18,380,210	18,755,310

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 6 months	**12,112,634**	13,737,077
Over 6 months but within 12 months	**1,223,104**	727,534
Over 12 months	**195,560**	315,050
	13,531,298	14,779,661

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Pledged bank deposits	**7,189,095**	9,841,835

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

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(Expressed in Renminbi unless otherwise indicated)

18 INTEREST-BEARING BORROWINGS

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

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Current			
Bank loans and loans from other financial institutions	*18(a)*	**3,912,200**	4,985,867
Other loans	*18(b)*	**1,937,089**	1,996,716
Loans from an entity controlled by Ultimate Controlling Party	*18(c)*	**20,000**	20,000
Discounted bank acceptance bills	*18(d)*	**3,770,840**	4,565,569
		9,640,129	11,568,152
Non-current			
Bank loans and loans from other financial institutions	*18(a)*	**2,184,043**	1,316,019
Other loans	*18(b)*	**1,860,603**	1,947,266
		4,044,646	3,263,285
		13,684,775	14,831,437

(a) Bank loans and loans from other financial institutions

At 30 June 2025, the bank loans and loans from other financial institutions were repayable as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 1 year or on demand	**3,912,200**	4,985,867
After 1 year but within 2 years	**715,157**	218,131
After 2 years but within 5 years	**1,468,886**	1,097,888
After 5 years	**–**	–
	2,184,043	1,316,019
	6,096,243	6,301,886

18 INTEREST-BEARING BORROWINGS *(Continued)*

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

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Secured/guaranteed	**5,319,765**	5,124,272
Unsecured	**776,478**	1,177,614
	6,096,243	6,301,886

(ii) At 30 June 2025, certain bank loans and loans from other financial institutions of RMB1,587,358,000 (31 December 2024: RMB1,396,418,000) were guaranteed by related parties and the Group's subsidiary respectively. Certain bank loans and loans from other financial institutions of RMB3,732,407,000 (31 December 2024: RMB3,727,854,000) were secured by the following assets of the Group:

	Note	**30 June 2025 RMB'000**	31 December 2024 RMB'000
Pledged bank deposits	*15*	**22,235**	37,983
Other receivables	*14*	**250**	8,250
Completed investment properties and investment properties under development	*8*	**11,960,698**	11,797,309
Properties under development for sale	*13*	**251,803**	252,668
Completed properties held for sale	*13*	**175,907**	172,872
Property, plant and equipment	*9*	**28,275**	28,481
		12,439,168	12,297,563

(iii) Bank loans and loans from other financial institutions bear fixed interest ranging from 2.19% to 12.00% per annum as at 30 June 2025 (31 December 2024: 2.85% to 12.00% per annum).

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

As at 30 June 2025, none of the covenants relating to the Group's bank loans and loans from other financial institutions had been breached, except that the Group did not fulfil the financial covenants of bank loans and loans from other financial institutions of RMB159,400,000 (31 December 2024: RMB950,900,000). These balances were repayable on demand as a result of the breach of financial covenants.

18 INTEREST-BEARING BORROWINGS *(Continued)*

(b) Other loans

As at 30 June 2025, other loans were repayable as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within one year or on demand	**1,937,089**	1,996,716
After 1 year but within 2 years	**1,083,169**	1,169,832
After 2 years but within 5 years	**777,434**	777,434
	3,797,692	3,943,982

As at 30 June 2025, other loans were unsecured (31 December 2024: unsecured) and bear fixed interest ranging from 4.00% to 12.00% per annum (31 December 2024: 4.00% to 12.00% per annum).

(c) Loans from an entity controlled by the ultimate controlling party of the Company ("**Ultimate Controlling Party**") are unsecured and bear fixed interest of 5% (31 December 2024: 5%) per annum as at 30 June 2025.

(d) The Group has discounted bank acceptance bills of RMB3,770,840,000 as at 30 June 2025 (31 December 2024: RMB4,565,569,000). The Group still retains virtually all its risks and rewards, including the risk of default on discounted bank acceptance bills. Therefore, the Group continued to fully recognised the discounted instruments.

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19 EQUITY-SETTLED SHARE-BASED PAYMENTS

(a) Share option scheme

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

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

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

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

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

(a) Share option scheme *(Continued)*

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

	30 June 2025		31 December 2024	
	Weighted average exercise price HK$	**Number of options**	Weighted average exercise price HK$	Number of options
Outstanding at the beginning of the period/year	**8.48**	**15,547,407**	8.48	15,547,407
Lapsed during the period/year	**8.48**	**–**	8.48	–
Outstanding at the end of the period/year	**8.48**	**15,547,407**	8.48	15,547,407
Exercisable at the end of the period/year	**8.48**	**15,547,407**	8.48	15,547,407

At 30 June 2025, the options outstanding had an exercise price of HK$8.48 (31 December 2024: HK$8.48) and the remaining contractual life of share option scheme is 2.5 years (31 December 2024: 3 years). No share options had been exercised, cancelled or lapsed during the six months ended 30 June 2025.

20 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

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

No final dividend in respect of the previous financial year was approved or paid during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

(b) Capital management

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

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

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

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

20 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Capital management *(Continued)*

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Current liabilities:		
Interest-bearing borrowings	**9,640,129**	11,568,152
Lease liabilities	**6,688**	6,901
Non-current liabilities:		
Interest-bearing borrowings	**4,044,646**	3,263,285
Lease liabilities	**19,530**	22,826
Total debt	**13,710,993**	14,861,164
Less: Pledged bank deposits	**(7,494,483)**	(10,014,072)
Cash and cash equivalents	**(1,531,290)**	(1,545,952)
Adjusted net debt	**4,685,220**	3,301,140
Total equity attributable to equity shareholders of the Company	**14,016,047**	13,951,217
Adjusted net debt-to-capital ratio	**33.43%**	23.66%

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

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

- Level 1 valuation: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active market for identical assets or liabilities at the measurement date

- Level 2 valuation: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuation: Fair value measured using significant unobservable inputs

	Fair value at 30 June	**Fair value measurement as at 30 June 2025 categorised into**			Fair value at 31 December	Fair value measurement as at 31 December 2024 categorised into		
	2025 RMB'000	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**	2024 RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement								
Assets:								
— Listed equity securities	**4,419**	**4,419**	**–**	**–**	5,473	5,473	–	–
— Wealth management products and trust products	**–**	**–**	**–**	**–**	10,000	–	10,000	–
— Forward contracts	**21,517**	**21,517**	**–**	**–**	22,315	22,315	–	–
— Equity investment at fair value through other comprehensive income	**80,408**	**–**	**80,408**	**–**	80,408	–	80,408	–

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

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

(i) Fair value hierarchy *(Continued)*

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

Financial assets/ financial liabilities	Fair value as at 30 June 2025 RMB'000	Fair value as at 31 December 2024 RMB'000	Fair value hierarchy	Valuation Techniques and key inputs
Listed equity securities	**Assets 4,419**	Assets 5,473	Level 1	Quoted bid prices in an active market.
Wealth management product and trust products	**N/A**	Assets 10,000	Level 2	Discounting the estimated future cash flows at risky rate, which is the benchmark interest rate plus the risk premium as at the end of the reporting period.
Forward contracts	**Assets 21,517**	Assets 22,315	Level 1	Quoted bid prices in an active market.
Equity investment at FVOCI	**Assets 80,408**	Assets 80,408	Level 2	Determined by the directors of the Company with reference to recent transaction price completed near to the year end.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur. During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2025.

22 COMMITMENTS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Contracted but not provided for in the consolidated financial statements:		
— Capital expenditure in respect of investment properties under development	**92,884**	91,491
— Expenditure in respect of properties under development	**209,938**	229,408
	302,822	320,899

23 GUARANTEES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties (note (a))	**68,764**	82,775
Other financial guarantee (note (b))	**67,100**	282,805
Total maximum guarantees issued	**135,864**	365,580

Notes:

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

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

(b) For other financial guarantees, the aggregate amount of outstanding financial guarantees that the Group could be required to pay amounted to RMB67,100,000 as at 30 June 2025 (31 December 2024: RMB282,805,000). At the end of the reporting period, management has performed impairment assessment by measuring the loss allowance for financial guarantee contracts issued by the Group at an amount equal to 12-month ECL, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, no loss allowance was recognised in the profit or loss as the ECL is assessed to be insignificant.

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

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24 MATERIAL RELATED PARTY TRANSACTIONS

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

(a) Transactions with key management personnel

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and other benefits	**6,440**	6,700
Contributions to defined benefit retirement plans	**320**	310
	6,760	7,010

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

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(i) Advances from related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**–**	191,492
— Joint ventures	**40,063**	305,476
— Entities controlled by Ultimate Controlling Party	**2,950**	26,467
— Entities over which Ultimate Controlling Party has significant influence	**1,000**	267

24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

	Six months ended 30 June	
	2025 **RMB'000**	2024 RMB'000
(ii) Repayment to related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**215,590**	163,081
— Entities controlled by Ultimate Controlling Party	**6,903**	10,104
— Key management personnel	**26**	–

	Six months ended 30 June	
	2025 **RMB'000**	2024 RMB'000
(iii) Advances to related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**15,000**	796,370
— Joint ventures	**235,515**	436,439
— Entities controlled by Ultimate Controlling Party	**2,184**	9,397
— Key management personnel	**40**	–
— Entities over which Ultimate Controlling Party has significant influence	**88**	–

	Six months ended 30 June	
	2025 **RMB'000**	2024 RMB'000
(iv) Repayment from related parties and non-controlling shareholders of subsidiaries during the period		
— Associates	**15,000**	724,800
— Joint ventures	**339,525**	222,300
— Entities controlled by Ultimate Controlling Party	**36**	5,858
— Key management personnel	**1,507**	–
— Entities over which Ultimate Controlling Party has significant influence	**13,820**	500

24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(v) Rental income		
— Entities over which Ultimate Controlling Party has significant influence	**638**	254
— Entities controlled by Ultimate Controlling Party	**18**	–

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(vi) Deposits placed in		
— a bank over which Ultimate Controlling Party has significant influence	**2,593,251**	4,542,728
Deposits withdrawn from		
— a bank over which Ultimate Controlling Party has significant influence	**(2,594,286)**	(4,593,372)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
(vii) Sales of commodities to related parties and non-controlling shareholders of subsidiaries		
— Associates	**10,493**	9,387
— Entities controlled by Ultimate Controlling Party	**–**	1,717

24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

	Six months ended 30 June 2025 RMB'000	Six months ended 30 June 2024 RMB'000
(viii) Purchase of commodities from related parties and non-controlling shareholders of subsidiaries		
— Associates	**2,025,551**	18,705
— Entities controlled by non-controlling shareholders of subsidiaries	**2,638**	–
— Entities controlled by Ultimate Controlling Party	**–**	2,008

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade and other receivables		
— Associates (note (i))	**80,412**	96,493
— Joint ventures (note (ii))	**294,433**	389,318
— Entities over which Ultimate Controlling Party has significant influence	**–**	13,731
— Entities controlled by non-controlling shareholders of subsidiaries	**4,386**	4,386
Cash and cash equivalents		
— Entities over which Ultimate Controlling Party has significantly influence	**10,460**	23,379
Interest-bearing borrowings		
— Entities controlled by Ultimate Controlling Party	**20,000**	20,000

Notes:

(i) Loans advanced to associates as at 30 June 2025 bear interest of 2% (31 December 2024: 2%) per annum and are secured by agriculture products.

(ii) Loan advanced to joint ventures as at 30 June 2025 bear interest of 8.4% (31 December 2024: 8.4%) per annum.

24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Amounts due from related parties and non-controlling shareholders of subsidiaries		
— Associates	**209,582**	222,509
— Joint ventures	**323,608**	438,946
— Non-controlling shareholders of subsidiaries	**–**	1,000
— Entities controlled by Ultimate Controlling Party	**44,528**	40,663
— Key management personnel	**2,676**	4,144
— Entities controlled by non-controlling shareholders of subsidiaries	**7,308**	7,499
— Entities over which Ultimate Controlling Party has significant influence	**934**	14,666
— Ultimate Controlling Party	**100**	100
	588,736	729,527

Amounts due from related parties and non-controlling shareholders of subsidiaries are unsecured and repayable on demand. As at 30 June 2025, amount due from an associate of RMB120,601,000 (31 December 2024: RMB222,509,000) bears interest at 4.35% (31 December 2024: 8.4%) per annum. All the other amounts due from related parties and non-controlling shareholders of subsidiaries as at 30 June 2025 and 31 December 2024 are interest-free.

24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Amounts due to related parties and non-controlling shareholders of subsidiaries		
— Associates	**20,070**	216,066
— Joint ventures	**890,419**	806,221
— Non-controlling shareholders of subsidiaries	**455**	481
— Entities controlled by Ultimate Controlling Party	**475,260**	479,213
— Ultimate Controlling Party	**3,900**	3,900
— Key management personnel	**200**	226
— Entities over which Ultimate Controlling Party has significant influence	**19,088**	17,035
	1,409,392	1,523,142

All amounts due to related parties and non-controlling shareholders of subsidiaries as at 30 June 2025 and 31 December 2024 are interest-free, unsecured and repayable on demand.