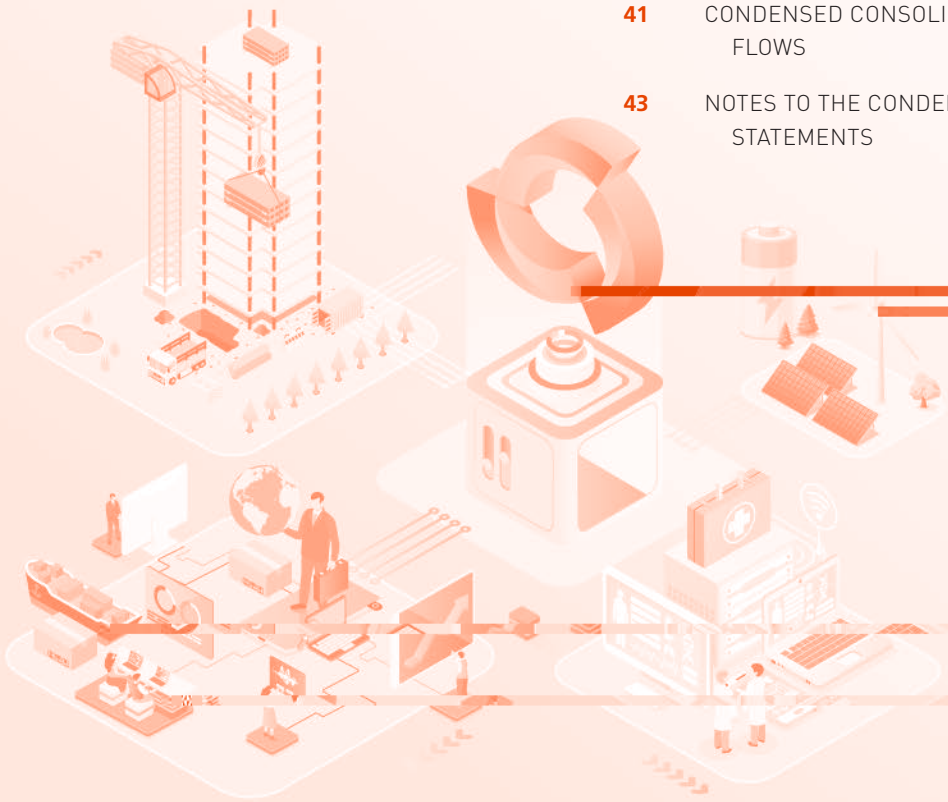
CONTENTS

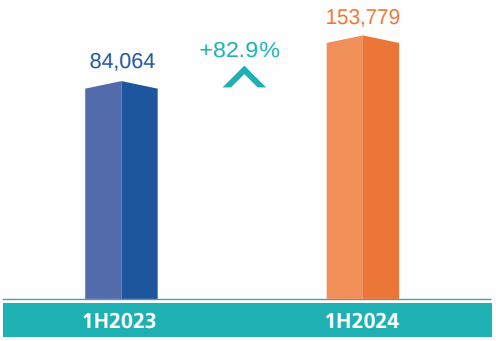
PAGE(S)	
2	PERFORMANCE HIGHLIGHTS
3	CORPORATE INFORMATION
4	MANAGEMENT DISCUSSION AND ANALYSIS
20	CORPORATE GOVERNANCE AND OTHER INFORMATION
34	REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
35	CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
36	CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
37	CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
39	CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
41	CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
43	NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



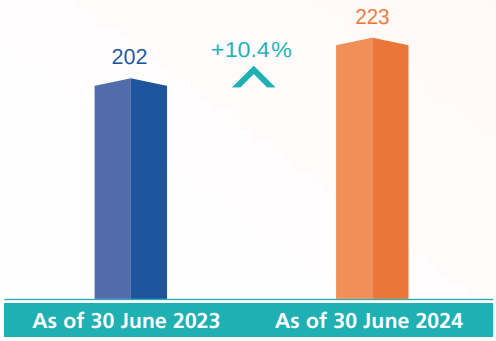
PERFORMANCE HIGHLIGHTS

For the six months ended 30 June 2024

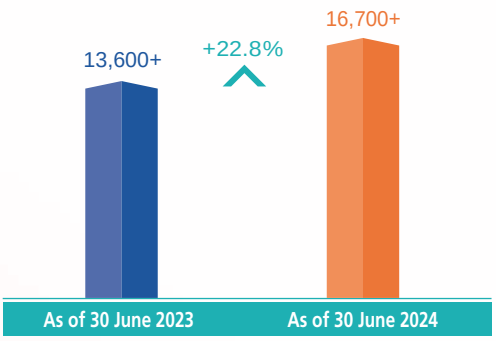
Revenue from platform-based technology services[note] (RMB in thousands)



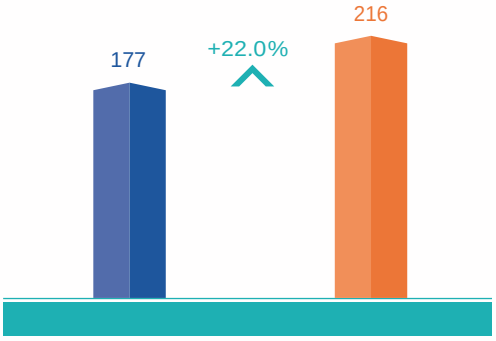
Total cumula ve R&D investment (RMB in millions)



[illegible]



Tot



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tung Chi Fung (Chairman)





FINANCIAL REVIEW

Revenue and income from principal activities

The principal activities of the Group include the provision of platform-based technology services, digital financing solutions and sales of supply chain assets.

The Group's total revenue and income from principal activities decreased by 11.9% year-on-year to RMB436.1 million for the six months ended 30 June 2024, compared to RMB494.8 million for the corresponding period in last year, mainly due to the deemed disposal of Wuxi Guojin Commercial Factoring Co., Ltd. ("**WXGJ**") in February 2024. Since WXGJ became an associate of the Group, the financial result of WXGJ will be accounted under share of profits of associates.

The following table sets forth the comparative figures and as a percentage of total revenue and income from principal activities for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June				
	2024			2023	
	RMB'000	% of total revenue	Year-on-year	RMB'000	% of total revenue
Revenue from platform-based technology services					
– Technology service for loan facilitation	**100,997**	**23.1%**	**242.4%**	29,501	6.0%
– Referral service	**50,913**	**11.7%**	**35.1%**	37,687	7.6%
– Technology service for asset-backed securitisation products	**1,038**	**0.2%**	**N/A**	–	–
– Supply chain technology services	**57**	**0.0%**	**-99.7%**	16,651	3.4%
– Other services	**774**	**0.2%**	**244.0%**	225	0.0%
Subtotal	**153,779**	**35.2%**	**82.9%**	84,064	17.0%
Income from digital financing solutions					
– Interest income from supply chain assets	**257,652**	**59.1%**	**-25.2%**	344,407	69.6%
– Guarantee income	**16,469**	**3.8%**	**72.1%**	9,570	1.9%
– Interest income from contracts containing significant financing components	**917**	**0.2%**	**-6.1%**	977	0.2%





MANAGEMENT DISCUSSION AND ANALYSIS

Non-HKFRSs measure: Adjusted net profit

To supplement our consolidated results which are prepared and presented in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**

Supply chain assets at fair value through other comprehensive income ("FVTOCI")

Supply chain assets at FVTOCI as of 30 June 2024 were RMB5,720.3 million, a 28.9% decrease year-on-year. Daily average balance of self-funded supply chain assets over the first half of 2024 were RMB6,237.6 million, a 21.4% decrease over the corresponding period of last year. Based on the daily average balance of self-funded supply chain assets, interest yield on supply chain assets in the first half of 2024 was 8.3%, which was 0.4 percentage points lower year-on-year.

The details of major terms of supply chain assets, inclLang (en-US)/MCID 641 ƀDC 7p11 iP ƙLanglD 66a(en921type1 imaturity profile 62ndD 634siz

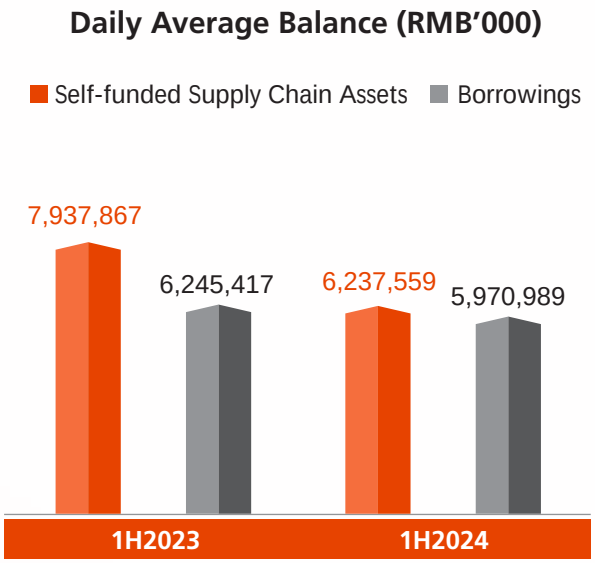


Movements in impairment loss allowance on supply chain assets

The Group's impairment loss allowance on supply chain assets decreased by 25.2% year-on-year to RMB65.7 million as at 30 June 2024, compared to RMB87.8 million as at 30 June 2023, mainly due to the decrease in gross carrying amount of supply chain assets. No impairment loss allowance were written off for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).

Borrowings and finance costs

Borrowings, including loans from related parties, as of 30 June 2024 was RMB5,874.8 million, a 10.6% decrease year-on-year. Daily average borrowings over the first half of 2024 was RMB5,971.0 million, a 4.4% decrease year-on-year. The decrease in finance costs of RMB14.6 million year-on-year was mainly due to the decrease in the daily average balance of borrowings and the decrease in average borrowings interest rate from 6.4% for the six months ended 30 June 2023 to 6.2% for the six months ended 30 June 2024.



Taxation

Income tax expenses represent the tax expense arising from the assessable profit generated by the Group in the PRC, withholding tax levied on interest income of Hong Kong subsidiaries, withholding tax levied on dividend declared by a PRC subsidiary and deferred tax. Except for certain PRC subsidiaries that enjoy preferential tax rates, PRC enterprise income tax is calculated at 25% of the estimated assessable profits for six months ended 30 June 2024 and 2023. The increase in the effective tax rate from 18.3% for the six months ended 30 June 2023 to 27.3% for six months ended 30 June 2024 was mainly attributable to the increase in profit before taxation in subsidiaries with applicable tax rate of 25% and the

KEY INTERNAL CONTROLS IN RESPECTIVE OF DIGITAL FINANCING SOLUTIONS

The Group has established and maintained comprehensive approval and risk assessment procedures, sound internal control system and established credit risk control pouaAestab.gabl pouaAlacnsive tound internal and internal imintAestab. hnsive approvem



MANAGEMENT DISCUSSION AND ANALYSIS



CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING

During the six months ended 30 June 2024, the Group's main sources of funds were the cash generated from its daily operation, and proceeds from new borrowings. As at 30 June 2024, the Group had cash and cash equivalents of RMB741.1 million (31 December 2023: RMB658.2 million), of which 97.6% and 1.8% were denominated in RMB and HK$ respectively. Net cash from operating activities was RMB574.6 million in the first half of 2024 (for the six months ended 30 June 2023: RMB633.9 million), a decrease of RMB59.3 million year-on-year mainly due to the decrease in net cash from supply chain assets at FVTOCI.

As at 30 June 2024, the Group had interest-bearing borrowings and loans from related parties which amounted to RMB5,874.8 million (31 December 2023: RMB7,182.9 million). Its gearing ratio, expressed as total liabilities over total equity was 1.67 as at 30 June 2024 (31 December 2023: 1.91).

INTERIM DIVIDEND



Use of proceeds from the Placement

During the year ended 31 December 2021, 2022, 2023 and six months ended 30 June 2024, details of the use of proceeds of the Placement were as follows:

Use of proceeds	Net proceeds raised (Approximately HK$ million)	Actual use of net proceeds during the year ended 31 December 2021 (Approximately HK$ million)	Actual use of net proceeds during the year ended 31 December 2022 (Approximately HK$ million)	Actual use of net proceeds during the year ended 31 December 2023 (Approximately HK$ million)	Actual use of net proceeds during the six months ended 30 June 2024 (Approximately HK$ million)	Intended use and expected timeline of the remaining amount of net proceeds
Strategic acquisition of and/or investment in business(es) in the industrial technology and digital financing	275.4	275.4	–		–	The amount of strategic acquisition of and/or investment in business(es) in the industrial technology and digital financing had been fully utilised.
Expansion and development of the Group's supply chain technology services segment	165.2		33.2	20.7	25.6	The remaining unutilised amount of approximately HK$83.4 million will be used for expansion and development of the Group's supply chain technology services segment and is expected to be fully utilised by 31 December 2025.
platformisation	110.2	7.1	103.1	–	–	The amount of net proceeds for general working capital of the Group's platformisation had been fully utilised.

SUPPLEMENTAL INFORMATION IN RELATION TO THE USE OF PROCEEDS FROM THE PLACEMENT SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Reference is made to the annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (the "**Annual Report**").

In addition to the information disclosed in the Annual Report, the Board of Directors would like to provide additional information pursuant to paragraph 11(8) of Appendix D2 to the Listing Rules in relation to the use of proceeds raised from the Placement completed on 5 October 2021.

As disclosed in the annual report of the Group for the year ended 31 December 2022 published on 27 April 2023, as of 31 December 2022, the remaining unutilised net proceeds raised from the Placement allocated to expansion and development of the Group's supply chain technology services segment is expected to be fully utilised by 31 December 2023.

The Company has been actively expanding its supply chain technology service business, mainly focusing on developing supply chain technology services in the infrastructure and pharmaceutical industries to create business synergies. Since (i) the Company needs more time to conduct business research and evaluate its business needs and the risks involved in order to identify potential projects and promote implementation; and (ii) secure better business returns and strive for a more advantageous market position of the Company, as disclosed in the Annual Report, it is expected that the remaining unutilised net proceeds allocated to expansion and development of the Group's supply chain technology services segment of approximately HK$109.0 million is expected to be fully utilized by 31 December 2025.

The Board of Directors considers that the delay in the use of the unutilised net proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

The expected timeline of full utilisation of the unutilised net proceeds is based on the Directors' best estimation barring any unforeseen circumstances, and may be subject to change based on the market conditions. Should there be any material change or



PLEDGE OF ASSETS

As at 30 June 2024, the Group had pledged bank deposits of RMB865.1 million, equity tranche of RMB174.2 million, and certain supply chain assets with an aggregate carrying amount of RMB4,331.0 million to banks, third parties and an associate for facilities, loan facilitation platform in partnership with banks and derivative financial instruments (31 December 2023: pledged bank deposits of RMB866.5 million, wealth management products of RMB102.7 million, equity tranche of RMB63.0 million, investment property with carrying amount of RMB31.1 million, and certain supply chain assets with an aggregate carrying amount of RMB3,208.8 million to banks and third parties for facilities, loan facilitation platform in partnership with banks and derivative financial instruments).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

On 28 February 2024, the Company entered into a collaboration agreement with 無錫市太湖新城資產經營管理有限公司 (Wuxi Taihu New City Asset Management Co., Ltd.*) ("**Wuxi Taihu New City**"), WXGJ and other subsidiaries of the Company (the "**Collaboration Agreement**"), pursuant to which, among others, Wuxi Taihu New City subscribed RMB569.4 million of the capital increase in WXGJ, and the parties agreed to provide financial assistance and guarantees pursuant to the terms of the Collaboration Agreement. The GriennCn

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had a total of 361 staff (As at 31 December 2023: 358 staff). Total staff costs (including Directors' emoluments) were approximately RMB81.9 million (including share option benefits RMB5.1 million and RSU benefits RMB0.9



CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and



CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2024, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of issued share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity/ nature of interest	Number and class of securities interested (Note 1)	Percentage of shareholding
TMF Trust (Notes 2 and 3)	Trustee	560,601,960 (L)	56.72%
	Deemed interests of treasury shares held by the Company	444,500 (L)	0.04%
Eander (Notes 2 and 3)	Interest in a controlled corporation	560,601,960 (L)	56.72%
	Deemed interests of treasury shares held by the Company	444,500 (L)	0.04%
Wisdom Cosmos (Notes 2 and 3)	Beneficial owner	560,601,960 (L)	56.72%
	Deemed interests of treasury shares held by the Company	444,500 (L)	0.04%
Wuxi Communications Industry Group Co., Ltd ("**WXCIG**") (Note 4)	Interest in a controlled corporation	61,363,500 (L)	6.21%
Xitong International Holdings (HK) Limited ("**Xitong**") (Note 4)	Beneficial owner	61,363,500 (L)	6.21%

Notes:

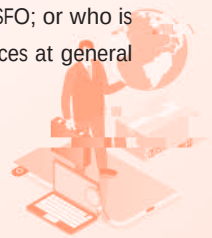
1. The letter "L" denotes long position of the shares of the Company.

2. Wisdom Cosmos, a company incorporated in the BVI, is the beneficial owner of 560,601,960 shares of the Company, representing approximately 56.72% shareholding interests in the Company. The entire issued share capital of Wisdom Cosmos is owned by Eander, a company incorporated in the BVI, which is in turn wholly owned by TMF Trust, trustee of the PJ Trust, an irrevocable reserved power trust established by Mr. Tung. Mr. Tung and his family members are the beneficiaries of the PJ Trust. Under the SFO, Mr. Tung, TMF Trust and Eander are deemed to be interested in all the shares of the Company registered in the name of Wisdom Cosmos.

3. As at 30 June 2024, the Company repurchased an aggregate of 444,500 shares for holding as treasury shares. As such, Wisdom Cosmos, Eander, TMF Trust and Mr. Tung as controlling shareholders of the Company are taken to have an interest in 444,500 treasury shares of the Company, representing approximately 0.04% shareholding interests in the Company.

4. Xitong, a company incorporated in Hong Kong, is the beneficial owner of 61,363,500 shares of the Company, representing approximately 6.21% shareholding interests in the Company. The entire issued share capital of Xitong is owned by WXCIG, a company incorporated in the PRC, which is in turn wholly owned by State-owned Assets Supervision and Administration Commission of Wuxi Municipal People's Government. Under the SFO, WXCIG and Xitong are deemed to be interested in all the shares of the Company registered in the name of Xitong.

Save as disclosed above, as at 30 June 2024, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position 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 who is directly or indirectly, to be interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.



CORPORATE GOVERNANCE AND OTHER INFORMATION

2017 SHARE OPTION SCHEME

On 19 June 2017, the sole shareholder of the Company adopted the share option scheme (the "**2017 Share Option Scheme**") by way of written resolution which became effective on 6 July 2017 (the "**Listing Date**"). At the annual general meeting of the Company held on 21 May 2024, the Shareholders of the Company approved the termination of the 2017 Share Option Scheme and the new share scheme becoming effective (the "**2024 Share Scheme**").



(d) Price of Shares

The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each Participant and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a day on which trading of Shares take place on the Stock Exchange ("**Trading Day**"); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share. For the purpose of calculating the subscription price, in the event that on the date of grant, the Company has been listed for less than five Trading Days, the Offer Price shall be used as the closing price for any Trading Day falling within the period before the Listing Date.

(e) Maximum number of Shares

(i) The total number of Shares which may be issued upon the exercise of all Options to be granted under the 2017 Share Option Scheme and Other Schemes must not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**") provided that Options lapsed in accordance with the terms of the 2017 Shares Option Scheme or Other Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 740,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 74,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date and approximately 7.49% of the Shares in Issue (excluding treasury shares) as at the date of this interim report.



CORPORATE GOVERNANCE AND OTHER INFORMATION

During the six months ended 30 June 2024, (i) no share options were granted; (ii) 15,425,000 granted options were outstanding; (iii) no granted options were exercised; (iv) 200,000 granted options were lapsed; and (v) no granted options were cancelled under the 2017 Share Option Scheme.

Pursuant to Rule 17.07(1)(c) of the Listing Rules, the closing prices of the Shares immediately before 15 July 2020 and 10 June 2022, being the dates on which the share options were granted pursuant to the 2017 Share Option Scheme, were HK$6.60 and HK$6.32 respectively.

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of share options available for grant under the 2017 Share Option Scheme as at 1 January 2024 and 30 June 2024 were 47,712,500 and nil, respectively.



(c) Maximum number of RSUs

(i) Subject to the renewal of the scheme limit, no Award shall be granted pursuant to the RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the RSU Scheme (excluding Awards that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) shall exceed 2% of the number of Shares in issue as of the Adoption Date (the "**Scheme Mandate Limit**"). On the basis of 1,004,628,500 Shares in issue on the Adoption Date, the Scheme Mandate Limit will be equivalent to 20,092,570 Shares, representing 2% of the Shares in issue as at the Adoption Date and approximately 2.03% of the Shares in issue (excluding treasury shares) as at the date of this interim report.

(ii) The maximum number of Shares which may be awarded to any one Selected Persons under the Scheme may not exceed 1% of the issued share capital of the Company under the RSU Scheme.

(d) Duration and time of RSUs

Subject to any alteration and amendment of the RSU Scheme, the RSU Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Awards shall be granted or accepted, but the provisions of the RSU Scheme shall remain in full force and effect in order to give effect to the vesting of Awards granted and accepted prior to the expiration of such period.

The Board or the Remuneration Committee has the sole discretion to determine the vesting schedule and vesting criteria (if any) for any grant of Award(s) to any Grantee, which may also be adjusted and redetermined by the Board from time to time.

(e) Grant of RSUs

On and subject to the rules of the RSU Scheme and all applicable laws and other regulations, the Board or the Remuneration Committee may, within the Scheme Period, determine the Selected Persons to participate the RSU Scheme. The Board or the Remuneration Committee shall, after the selection process, inform the RSU Trustee of the name(s) of the Selected Person(s), the number of Shares underlying the Award(s) to be granted to each of the Selected Person(s), the vesting schedule of the Award(s) and other terms and conditions (if any) that the Award(s) are subject to as determined by the Board or the Remuneration Committee.

Subject to limitations and conditions of the RSU Scheme, the RSU Trustee shall, upon receipt of the notification from the Board or the Remuneration Committee, grant to each of the Selected Persons an offer of grant of Award(s) by way of a grant letter, subject to the conditions that the Board or the Remuneration Committee thinks fit.

Upon the receipt from the Selected Person of a duly executed acceptance notice and the relevant payment, the Award(s) is granted to the Selected Person, who becomes a Grantee in the RSU Scheme.

On 10 June 2022, the Company granted 1,340,000 RSUs to the employees of the Group representing 1,340,000 underlying



Save as disclosed above, none of the grantees is a Director, chief executive or substantial shareholder (as defined under the Listing Rules) of the Company or any of their respective associate(s) (as defined under the Listing Rules) as at the date of grant. Movements of RSU Scheme during the six months ended 30 June 2024 are as follows:

Grantee	Date of grant	Vesting period	Outstanding at 1 January 2024	Granted during period	Lapsed during period	Cancelled during the period	Vested during period	Outstanding at 30 June 2024
Employees	10 June 2022	10/6/2022–9/6/2024	270,000	–	(25,000)	–	(245,000)	–
		10/6/2022–9/6/2024	270,000	–	(25,000)	–	(245,000)	–
		10/6/2022–9/6/2025	540,000	–	(30,000)	–	–	510,000
			1,080,000	–	(80,000)	–	(490,000)	510,000

Note:

The weighted average closing price of the shares immediately before the dates on which the RSUs were exercised or vested pursuant to Rule 17.07(1)(d) is HK$4.23.

During the six months ended 30 June 2024, (i) no RSUs were granted; (ii) 510,000 granted RSUs were outstanding under the RSU scheme; (iii) 490,000 granted RSUs were vested; (iv) 80,000 granted RSUs were lapsed; and (v) no granted RSUs were cancelled under the RSU Scheme.

Pursuant to Rule 17.07(1) of the Listing Rules, the closing prices of the Shares immediately before 10 June 2022, being the date on which the RSUs were granted, was HK$6.32.

Pursuant to Rule 17.07(2) of the Listing Rules, the total number of RSUs available for grant under the RSU scheme as at 1 January 2024 and 30 June 2024 were 19,012,570 and nil, respectively.

Pursuant to Rule 17.09(3) of the Listing Rules, the total number of Shares of the Company available for issue under the RSU Scheme is 19,602,570 Shares, representing approximately 1.98% of the 987,886,000 ordinary Shares of the Company in issue (excluding treasury shares) as at the date of this interim report.

Following the termination of the RSU Scheme, no further RSUs will be granted thereunder. All RSUs granted prior to such termination and not vested on the date of termination shall remain valid.









CORPORATE GOVERNANCE AND OTHER INFORMATION

Continuing disclosure under Rule 13.22 of the Listing Rules

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of those affiliated companies with financial assistance given by the Group and guarantee given by the Group for facilities granted to them, and the Group's attributable interests in those affiliated companies as at 30 June 2024, are presented as follows:

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	55,664	22,344
Current assets	17,637,500	7,138,823
Current liabilities	(14,093,670)	(5,681,329)
Total assets less current liabilities	3,599,494	1,479,838
Non-current liabilities	(988,572)	(400,845)
Net assets	2,610,922	1,078,993



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	NOTES	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue from platform-based technology services	4	153,779	84,064
Income from digital financing solutions	4		
– Interest income from supply chain assets		257,652	344,407
– Guarantee income		16,469	9,570
– Interest income from contracts containing significant financing components		917	977
Gain on sales of supply chain assets	4	7,233	55,818
Revenue and income from principal activities		436,050	494,836
Other income	5	38,165	38,340
Other gains and losses	6	27,153	6,347
Staff costs	9(a)	(69,127)	(60,457)
Depreciation and amortisation	9(a)	(15,003)	(15,678)
Other costs and operating expenses	9(a)	(24,138)	(41,843)
Impairment losses under expected credit loss ("ECL") model, net of reversal	17	(21,285)	4,633
Finance costs	7	(185,414)	(200,021)
Donation	9(a)	–	(2,206)
Share of profit of associates		40,702	5,051
Profit before taxation		227,103	229,002
Taxation	8	(61,977)	(41,996)
Profit for the period	9(a)	165,126	187,006
Attributable to:			
– Owners of the Company		155,322	174,862
– Non-controlling interests			

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Six months ended 30 June	
		2024	2023
	NOTES	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Profit for the period	9(a)	**165,126**	187,006
Other comprehensive income (expense) ("OCI"):			
Item that will not be reclassified to profit or loss:			
Fair value gain on investments in equity instruments at fair value through OCI ("FVTOCI")		**381**	4,220
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**54**	(76)
Fair value gain, net of ECL, and reclassification of FVTOCI reserves upon derecognition on:			
– supply chain assets at FVTOCI	9(b)	**(1,058)**	4,131
Income tax relating to items that may be reclassified subsequently		**265**	(899)
Share of other comprehensive income of associates, net of related income tax		**173**	330
Release to profit or loss in relation to disposal of subsidiaries		**3,145**	–
Other comprehensive income for the period, net of income tax		**2,960**	7,706
Total comprehensive income for the period		**168,086**	



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	NOTES	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Non-current assets			
Property and equipment	12	127,947	68,264
Right-of-use assets		97,632	102,973
Investment property		30,612	31,053
Goodwill	12	–	316,028
Intangible assets	12	59,783	168,611
Investments in associates	13		

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	NOTES	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Current liabilities			
Loans from related parties	26	2,834,976	960,654
Trade and other payables	19	364,505	294,752
Derivative financial instruments	15(a)	1,985	9,579
Contract liabilities		69,559	58,995
Income tax payable		47,399	31,791
Liabilities arising from guarantee contracts	20	41,424	31,078
Borrowings	21	2,774,779	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company												
	Share capital RMB'000	Treasury stock RMB'000	Share premium RMB'000	Share held for restricted share unit scheme ("RSU Scheme") RMB'000	Capital reserves RMB'000	FVTOCI reserves/ Revaluation reserves RMB'000 (note i)	Translation reserves RMB'000	Share-based payments reserves RMB'000	Statutory reserves RMB'000 (note ii)	Retained profits RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company												
	Share capital RMB'000	Treasury stock RMB'000	Share premium RMB'000	Share held for restricted share unit scheme ("RSU Scheme") RMB'000	Capital reserves RMB'000	FVTOCI reserves/ Revaluation reserves RMB'000 (note i)	Translation reserves RMB'000	Share-based payments reserves RMB'000	Statutory reserves RMB'000 (note ii)	Retained profits RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2023 (unaudited)	8,717	–	2,272,342	(39,311)	1,775	15,064	(137)	25,933	216,115	1,415,694	3,916,192	207,497	4,123,689
Profit for the period	–	–	–	–	–	–	–	–	–	174,862	174,862	12,144	187,006
Other comprehensive income (expense) for the period	–	–	–	–	–	6,303	(76)	–	–	–	6,227	1,479	7,706
Total comprehensive income (expense) for the period	–	–	–	–	–	6,303	(76)	–	–	174,862	181,089	13,623	194,712
Purchase of shares under RSU Scheme	–	–	–	(10,693)	–	–	–	–	–	–	(10,693)	–	(10,693)
Repurchase of shares (note 22)	–	(90,794)	–	–	–	–	–	–	–	–	(90,794)	–	(90,794)
Cancellation of treasury stock (note 22)	(143)	87,671	(87,528)	–	–	–	–	–	–	–	–	–	–
Acquisition of additional interest in a subsidiary of the Company (note iii)	–	–	–	–	(89,231)	–	–	–	–	–	(89,231)	(38,566)	(127,797)
Disposal of partial interests in a subsidiary without losing control	–	–	–	–	275	–	–	–	–	–	275	23,725	24,000
Recognition of equity-settled share-based payments	–	–	–	–	–	–	–	1,303	–	–	1,303	–	1,303
Dividends recognised as distribution (note 10)	–	–	(68,549)	–	–	–	–	–	–	–	(68,549)	–	(68,549)
Lapse of share options	–	–	–	–	–	–	–	(917)	–	917	–	–	–
At 30 June 2023 (unaudited)	8,574	(3,123)	2,116,265	(50,004)	(87,181)	21,367	(213)	26,319	216,115	1,591,473	3,839,592	206,279	4,045,871

Notes:

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024	[illegible]
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
FINANCING ACTIVITIES		
New borrowings raised	1,720,050	4,080,980
Loans raised from related parties	2,800,161	1,812,821
Withdrawal of pledged bank deposits for borrowings	503,397	211,358
Withdrawal of pledged wealth management products for bank borrowings	104,639	206,941
Proceeds received on exercise of RSU Scheme	543	–
Proceeds from other financial liabilities at FVTPL	–	92,115
Proceeds from disposal of partial interest in a subsidiary without losing control	–	23,000
Repayment of security deposits for borrowings	–	6,699
Temporary advance to a non-controlling shareholder of a subsidiary	–	(41,650)
Acquisition of additional interest in a subsidiary of the Company	–	(87,294)
Placement of wealth management products pledged for borrowings	–	(171,247)
Interest paid for lease liabilities	(529)	(584)
Purchase of shares under RSU Scheme	(2,188)	(10,693)
Repayment of lease liabilities	(4,864)	(6,169)
Payment on repurchase and cancellation of shares	(6,124)	(90,794)
Dividends paid to non-controlling shareholders of subsidiaries	(29,226)	–
Repayment of other financial liabilities at FVTPL	(63,902)	–
Interest paid for loans from related parties	(79,911)	(27,758)
Interest paid for borrowings	(110,253)	(170,975)
Dividends paid to the shareholders of the Company	(239,333)	–
Placement of pledged bank deposits for borrowings	(681,414)	(251,586)
Repayment of loans from related parties	(1,979,360)	(1,529,857)
Repayment of borrowings	(2,219,803)	(4,417,230)
NET CASH USED IN FINANCING ACTIVITIES	(288,117)	(371,923)
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,578	44,288
CASH AND CASH EQUIVALENTS AT 1 JANUARY	658,210	577,033
Effect of foreign exchange rate changes	(3,734)	(5,819)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

4. REVENUE AND INCOME FROM PRINCIPAL ACTIVITIES (continued)

(i) Disaggregation of revenue from platform-based technology services (continued)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

4. REVENUE AND INCOME FROM PRINCIPAL ACTIVITIES (continued)

(iii) Gain on sales of supply chain assets

For the six months ended 30 June 2024 and 2023, the Group sold part of supply chain assets to certain financial institutions mainly in the PRC. Sales of supply chain assets gave rise to full derecognition of the supply chain assets pursuant to the terms of sale agreements signed between the Group and relevant financial institutions.

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gain on sales of supply chain assets	**7,233**	55,818

5. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government subsidies (note)	**17,735**	25,721
Interest income		
– bank deposits	**11,270**	7,629
– loans to associates (note 26)	**6,056**	3,806
– debt instruments at amortised cost	**411**	471
– loan receivable	**2**	–
Rental income from an investment property	**329**	321
Guarantee income from an associate (note 26)	**263**	–
Dividends from equity instruments at FVTOCI		
– relating to investments held at the end of the reporting period	**3**	–
Others	**2,096**	392
	38,165	38,340

Note: The government subsidies will be mainly received unconditionally by the Company's subsidiaries in the PRC from local government in relation to the incentive policy and based on certain taxes paid or payable by the Company's PRC subsidiaries.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

8. TAXATION

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The charge comprises:		
Current tax		
– PRC Enterprise Income Tax ("EIT")	**65,801**	53,074
– Withholding tax levied on dividend declared of a PRC subsidiary	**–**	2,000
– Withholding tax levied on interest income of a Hong Kong subsidiary	**65**	512
	65,866	55,586
Deferred tax (note 14)	**(3,889)**	(13,590)
	61,977	41,996

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group's operation in Hong Kong had no assessable profit during both periods.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods. Certain PRC subsidiaries enjoy preferential tax rate of 15% according to approval from local tax bureau.

Withholding tax has been provided for the current interim period in the condensed consolidated financial statements, and details are set out in note 14.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

9. PROFIT FOR THE PERIOD/OTHER COMPREHENSIVE INCOME (EXPENSE)

(a) Profit for the period

Profit for the period has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Directors' emoluments	**2,588**	3,331
Other staff costs (excluding directors' emoluments)		
– Salaries, allowances and other staff benefits, including share-based payment expenses	**73,032**	62,706
– Staff's retirement benefit scheme contributions	**6,293**	5,731
Total staff costs	**81,913**	71,768
Less: amount capitalised in intangible assets	**(12,276)**	(10,843)
Less: amount capitalised in contract cost	**(510)**	(468)
Staff costs recognised in profit or loss	**69,127**	60,457
Depreciation of property and equipment	**878**	1,568
Depreciation of right-of-use assets	**6,520**	7,530
Depreciation of investment property	**441**	400
Amortisation of intangible assets	**8,243**	6,187
Total depreciation and amortisation	**16,082**	15,685
Less: amount capitalised in development costs	**–**	(7)
amount capitalised in buildings under construction	**(1,079)**	–
Depreciation and amortisation recognised in profit or loss	**15,003**	15,678
Research and development costs (note)	**8,458**	7,211
Materials cost recognised as an expense	**30**	15,411
Donation	**–**	2,206

Note: During the six months ended 30 June 2024, research and development costs mainly consist of staff costs amounted to RMB8,458,000 (six months ended 30 June 2023: RMB7,195,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

9. PROFIT FOR THE PERIOD/OTHER COMPREHENSIVE INCOME (EXPENSE) (continued)

(b) Fair value of supply chain assets at FVTOCI in the FVTOCI reserves

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Supply chain assets measured at FVTOCI		
– Fair value changes during the period, net	**6,175**	59,949
– Reclassification adjustment to profit or loss on derecognition	**(7,233)**	(55,818)
	(1,058)	4,131

10. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the period:

	Six months ended 30 June	
	2024	2023
	HK$'000	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

11. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**155,322**	174,862

	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

12. MOVEMENTS IN PROPERTY AND EQUIPMENT/GOODWILL/INTANGIBLE ASSETS

During the current interim period, the Group: i) disposed of equipment with an aggregate carrying amount of RMB13,000 (six months ended 30 June 2023: RMB32,000) for cash proceeds of RMB4,000 (six months ended 30 June 2023: RMB32,000), resulting in a loss on disposal of RMB9,000 (six months ended 30 June 2023: nil), ii) incurred RMB60,047,000 (six months ended 30 June 2023: RMB11,810,000) for construction costs for a new office premise and RMB596,000 (six months ended 30 June 2023: RMB192,000) for acquisition of equipment, iii) incurred RMB12,276,000 (six months ended 30 June 2023: RMB13,915,000) development costs for development of online platform and acquired software system at a cash consideration of RMB139,000 (six months ended 30 June 2023: RMB171,000), iv) derecognised of goodwill and intangible assets of RMB316,028,000 and RMB113,000,000 respectively due to the deemed disposal of a subsidiary as detailed in note 27.

13. INVESTMENTS IN ASSOCIATES

Details of the Group's investments in associates are as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cost of investments in associates, unlisted	1,297,450	562,698
Share of post-acquisition profit, net of dividends received	54,610	20,373
Share of post-acquisition OCI	70	(103)
	1,352,130	582,968

13. INVESTMENTS IN ASSOCIATES (continued)

Details of the Group's associates at the end of the reporting period are as follow:

Name of entities	Place of incorporation/ establishment	Particulars of authorised and paid up capital	Proportion of ownership interest/voting rights held by the Group as at		Principal activities
			30 June 2024	31 December 2023	
Hong Ji Factoring (Shenzhen) Limited# (弘基商業保理(深圳)有限公司) ("HJ") (note)	PRC	RMB100,000,000 RMB100,000,000	10%	10%	Provision of supply chain service
Guangxi Maojing Trading Co., Ltd# (廣西茂景商貿有限公司) ("GXMJ")	PRC	RMB2,000,000 RMB1,000,000	20%	20%	Provision of trade service
Ningbo Guofu Commercial Factoring Co., Ltd# (寧波國富商業保理有限公司) ("NBGF")	PRC	RMB500,000,000 RMB500,000,000	35%	35%	Provision of supply chain service
Xiamen Xiangsheng Factoring Limited# (廈門象盛商業保理有限責任公司) ("XMXS")	PRC	RMB300,000,000 RMB300,000,000	43%	43%	Provision of supply chain service
Qingdao Haikong Factoring Limited# (青島海控商業保理有限公司) ("QDHK")	PRC	RMB527,000,000 RMB527,000,000	40%	40%	Provision of supply chain service
WXGJ (note 27)	PRC	RMB489,800,000 RMB489,800,000	49%	N/A	Provision of supply chain service

English translated name is for identification purpose only.

Note: The Group is able to exercise significant influence over the entity because it has the power to appoint two out of three directors of the entity under the articles of association of the entity.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

14. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Deferred tax assets	8,942	18,163
Deferred tax liabilities	(60,813)	(64,654)
	(51,871)	(46,491)

The following are the major deferred tax assets (liabilities) recognised and movements thereon during both periods:

	Undistributed earnings of PRC subsidiaries RMB'000	Deferred income RMB'000	ECL provision RMB'000	Fair value adjustments RMB'000	Others RMB'000 (note)	Total RMB'000
At 1 January 2023 (audited)	(52,226)	(903)	23,900	(10,234)	1,223	(38,240)
Credit (charge) to profit or loss (note 8)	15,781	(674)	595	(887)	(1,225)	13,590
Charge to OCI	–	–	–	(899)	–	(899)
At 30 June 2023 (unaudited)	(36,445)	(1,577)	24,495	(12,020)	(2)	(25,549)
(Charge) credit to profit or loss	(6,656)	(17,368)	(651)	3,887	(72)	(20,860)
Credit to OCI	–	–	–	(82)	–	(82)
At 31 December 2023 (audited)	(43,101)	(18,945)	23,844	(8,215)	(74)	(46,491)
(Charge) credit to profit or loss (note 8)	(10,237)	10,447	5,635	(397)		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

15. DERIVATIVE FINANCIAL INSTRUMENTS/OTHER FINANCIAL ASSETS AT FVTPL/OTHER FINANCIAL LIABILITIES AT FVTPL (continued)

(b) Other financial assets at FVTPL

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. SUPPLY CHAIN ASSETS AT FVTOCI

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Supply chain assets at FVTOCI	5,720,255	7,663,344
Analysed for reporting purposes as:		
Current assets	5,710,692	7,536,455
Non-current assets	9,563	126,889
	5,720,255	7,663,344

As at 30 June 2024, the effective interest rates of the supply chain assets at FVTOCI range mainly from 6.00% to 15.00% (31 December 2023: 4.90% to 14.00%) per annum.

As at 30 June 2024, the gross carrying amount of supply chain assets of RMB6,895,000 is past due (31 December 2023: RMB2,551,000). When analysing the credit quality of supply chain assets at FVTOCI, the entire outstanding of balance of the supply chain assets is classified as past due in the event that instalments repayment of a supply chain asset at FVTOCI is past due.

Details of impairment assessment are set out in note 17.

17. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Impairment losses recognised (reversed) on:		
– Supply chain assets at FVTOCI	9,105	(4,235)
– Financial guarantee contracts	12,388	(365)
– Receivables from guarantee customers	(5)	(24)
– Trade and bill receivables	(43)	–
– Loans to an associate	(60)	(9)
– Debt instrument at amortised cost	(100)	–
	21,285	(4,633)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL (continued)

As at 31 December 2023

	External/ internal credit rating	12m or lifetime ECL	Average loss rate	Gross carrying amount/ exposure RMB'000 (Audited)	Impairment loss allowance RMB'000 (Audited)
Supply chain assets at FVTOCI	Low risk	12m ECL	1.07%	7,673,021	82,365
	Watch list	Lifetime ECL (not credit-impaired)	4.51%	64,459	2,907
	Loss	Lifetime ECL (credit-impaired)	N/A	–	–
				7,737,480	85,272
Financial assets at amortised cost					
Cash and cash equivalents	AAA/BBB+	12m ECL	N/A	658,210	–
Pledged bank deposits	AAA/BBB+	12m ECL	N/A	866,450	–
Time deposits	A	12m ECL	N/A	128,830	–
Debt instrument at amortised cost	Low risk	12m ECL	0.52%	19,068	100
Loans to an associate	Low risk	12m ECL	0.18%	370,397	670
Receivables from guarantee customers	Low risk	12m ECL	0.93%	6,458	60
	Watch list	Lifetime ECL (not credit-impaired)	6.67%	15	1
Trade and bill receivables	Low risk	Lifetime ECL (not credit-impaired)	0.69%	70,421	483
Other receivables	N/A	12m ECL	N/A	20,279	–
				2,140,128	1,314
Financial guarantee contracts					
In relation to third parties	Low risk	12m ECL	1.03%	2,507,028	25,739
	Watch list	Lifetime ECL (not credit-impaired)	3.80%	17,756	674
In relation to an associate	Low risk	12m ECL	0.17%	2,109,247	3,687
				4,634,031	30,100

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

17. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO ECL MODEL (continued)

The movements in the allowance for impairment in respect of supply chain assets at FVTOCI during the current interim period were as follows:

	12-month ECL RMB'000	Lifetime ECL not credit-impaired RMB'000	Lifetime ECL credit-impaired RMB'000	Total RMB'000
As at 1 January 2024 (unaudited)	82,365	2,907	–	85,272
Changes due to supply chain assets at FVTOCI recognised as at 1 January:				
– Transfer to 12-month ECL	953	(953)	–	–
– Transfer to lifetime ECL – not credit-impaired	(1,093)	1,093	–	–
– Transfer to lifetime ECL – credit-impaired	(13)	–	13	–
– Impairment losses, net of reversal	(54,687)	709	376	(53,602)
New financial assets purchased, net of settlement	57,163	5,544	–	62,707
Disposal of subsidiaries	(25,547)	(3,179)	–	(28,726)
As at 30 June 2024 (unaudited)	59,141	6,121	389	65,651
As at 1 January 2023 (unaudited)	92,010	2,675	–	94,685
Changes due to supply chain assets at FVTOCI recognised as at 1 January:				
– Transfer to 12-month ECL	106	(106)	–	–
– Transfer to lifetime ECL – not credit-impaired	(3,208)	3,208	–	–
– Impairment losses, net of reversal	(71,271)	(3,179)	–	(74,450)
– Disposal	–	(2,598)	–	(2,598)
New financial assets purchased, net of settlement	66,138	4,016	61	70,215
New financial assets disposal	(41)	–	–	(41)
As at 30 June 2023 (unaudited)	83,734	4,016	61	87,811

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. TRADE AND BILL RECEIVABLES/OTHER RECEIVABLES, PREPAYMENTS AND OTHERS

(a) Trade and bill receivables



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. TRADE AND BILL RECEIVABLES/OTHER RECEIVABLES, PREPAYMENTS AND OTHERS (continued)

(a) Trade and bill receivables (continued)

The following is an aged analysis of trade and bill receivables presented based on the date of payment.

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
0-30 days	50,988	70,421

(b) Other receivables, prepayments and others

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Government subsidies receivables	16,719	–
Prepayments	15,040	7,800
Tax recoverable	10,416	29,355
Security deposits for loan facilitation	6,250	13,567
Refundable rental deposits	3,836	3,836
Receivables for guarantee to associates	1,993	–
Other receivables and deposits	2,432	2,876
	56,686	57,434
Analysed for reporting purposes as:		
Current assets	44,876	49,119
Non-current assets	11,810	8,315
	56,686	57,434

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. TRADE AND OTHER PAYABLES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024



21. BORROWINGS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Bank borrowings and bills discounted	1,821,399	3,560,764
Bank loans under supplier finance arrangements	531,912	368,012
Entrusted loans	290,525	224,668
ABS issued	–	1,228,265
Other loans	395,989	838,277
	3,039,825	6,219,986
Secured	2,408,259	5,589,532
Unsecured	631,566	630,454
	3,039,825	6,219,986

21. BORROWINGS (continued)

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
The carrying amounts of the above borrowings are repayable*:		
– within one year	2,774,779	4,673,232
– within a period of more than one year but not exceeding two years	140,832	1,360,957
– within a period of more than two years		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

22. SHARE CAPITAL

Details of movements of share capital of the Company are as follows:

	Number of shares	Share capital HK$
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2023, 1 January 2024 and 30 June 2024 (unaudited)	5,000,000,000	50,000,000

	Number of shares	Share capital HK$
Issued:		
At 1 January 2023 (audited)	1,007,714,500	10,077,145
Repurchase and cancellation of shares	(17,964,500)	(179,645)
At 31 December 2023 (audited)	989,750,000	9,897,500
Repurchase and cancellation of shares	(1,343,000)	(13,430)
At 30 June 2024 (unaudited)	988,407,000	9,884,070

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Shown in the condensed consolidated statement of financial position	8,547	8,559

During the six months ended 30 June 2024, the Company repurchased 1,562,000 (six months ended 30 June 2023: 17,058,500) of its own ordinary shares through the Stock Exchange of Hong Kong Limited with an aggregate consideration of HK$6,740,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

24. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(a) Equity-settled share option scheme of the Company (continued)

The table below discloses movement of the Scheme:

	Number of shares
As at 1 January 2024 (unaudited)	15,625,000
Forfeited/lapsed during the period	(200,000)
Outstanding as at 30 June 2024 (unaudited)	15,425,000
Exercisable at the end of the reporting period	12,225,000

	Number of shares
As at 1 January 2023 (audited)	22,340,000
Forfeited/lapsed during the period	(1,100,000)
Outstanding as at 30 June 2023 (unaudited)	21,240,000
Exercisable at the end of the reporting period	7,415,000

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK$6.59.

The Group recognised the total expense of RMB5,091,000 for the period ended 30 June 2024 (six months ended 30 June 2023: RMB626,000) in relation to share options granted by the Company.

24. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(b) RSU Scheme of the Company

The Company's RSU Scheme was adopted pursuant to a resolution passed 6 April 2022 for the primary purpose of providing incentives to eligible persons and attracting suitable personnel for further development of the Group. The RSU Scheme shall be valid and effective for a period of ten years commencing on 6 April 2022.

The following tables disclose movements of the Company's RSUs:

	Number of shares
As at 1 January 2024 (unaudited)	1,080,000
Forfeited/lapsed during the period	(80,000)
Exercised during the period	(490,000)
Outstanding as at 30 June 2024 (unaudited)	510,000
Exercisable at the end of the reporting period	–

	Number of shares
As at 1 January 2023 (audited)	1,300,000
Forfeited/lapsed during the period	(140,000)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

Financial assets/liabilities	Fair value 30.6.2024 RMB'000 (Unaudited)	Fair value 31.12.2023 RMB'000 (Audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Foreign currency forward contracts	Assets – 5,894 Liabilities – 1,985	Assets – 13,672 Liabilities – 5,938	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
Cross currency swap contracts	Liabilities – –	Liabilities – 1,819	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, as well as forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
Interest rate swap contracts	Assets – – Liabilities – –	Assets – 391 Liabilities – 1,822	Level 2	Discounted cash flow. Future cash flows are estimated based on spot exchange rates (from observable spot exchange rates at the end of the reporting period) and forward interest rates (from observable yield curves at the end of the reporting period), discounted at a rate that reflects the credit risk of various counterparty.	N/A

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets/liabilities	Fair value 30.6.2024 RMB'000 (Unaudited)	Fair value 31.12.2023 RMB'000 (Audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Equity instruments at FVTOCI	Assets – –	Assets – 100	Level 2	Recent transaction price	N/A
	Assets – 1,600	Assets – 200	Level 3	Net assets value of the underlying investments	The higher the net assets value, the higher fair value
	Assets – 61,579	Assets – 61,198	Level 3	Market Approach Market Cap/Book value multiple	The higher implied multiple, the higher fair value
Other financial assets at FVTPL – wealth management products	Assets – 125,364	Assets – 102,685	Level 2	Discounted cash flow. Future cash flows are estimated based on exchange rates (from observable exchange rates at the end of the reporting period).	N/A
Other financial assets at FVTPL – unlisted investments funds	Assets – 8,504	Assets – 224,290	Level 2	Recent transaction price	N/A
	Assets – 255,700	Assets – 21,061	Level 3	Net assets value of the underlying investments	The higher the net assets value, the higher fair value
Other financial assets at FVTPL – unlisted equity investments	Assets – 75,550	Assets – 75,550	Level 3	Discounted cash flow. Discount rate and cash flows are key inputs	The higher cash flows, the higher fair value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets/liabilities	Fair value 30.6.2024 RMB'000 (Unaudited)	Fair value 31.12.2023 RMB'000 (Audited)	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
Other financial assets at FVTPL – equity tranche	Assets – 318,381	Assets – 190,962	Level 3	Discounted cash flow. Discount rate and cash flows are key inputs	The higher discount rate, the lower fair value. The higher cash flows, the higher fair value
Other financial assets at FVTPL – trust fund	Assets – 1,600	Assets – 1,529	Level 3	Discounted cash flow. Risk-adjusted discount rate and cash flow are key inputs	The higher discount rate, the lower fair value
Supply chain assets at FVTOCI	Assets – 5,720,255	Assets – 7,663,344	Level 3	Discounted cash flow. Risk-adjusted discount rate and cash flow are key inputs	Discount rate (note)
Other financial liabilities at FVTPL – structured notes	Liabilities – –	Liabilities – 61,208	Level 3	Discounted cash flow. Discount rate and cash flows are key inputs	The higher discount rate, the lower fair value The higher cash flows, the higher fair value

Note: As at 30 June 2024, the discount rates of the supply chain assets range mainly from 6.00% to 15.00% (31 December 2023: 4.90% to 14.00%). A 1% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of supply chain assets at FVTOCI by RMB16,009,000/RMB16,298,000 (31 December 2023: RMB24,241,000/RMB24,687,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements

	Financial assets			Financial liabilities
	Other financial assets at FVTPL RMB'000	Equity instruments at FVTOCI RMB'000	Supply chain assets at FVTOCI RMB'000	Other financial liabilities at FVTPL RMB'000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024



26. RELATED PARTY DISCLOSURES

(a) Related parties and relationship

During the reporting period, the following parties are identified as related parties to the Group and the respective relationships are set out below:

Name of Related parties	Relationship
TUNG CHI FUNG	Controlling shareholder of the Company
Bondlink Investment Limited	Related company controlled by TUNG CHI FUNG
Wuxi Tonghui Investment Limited ("WXTH")	Non-controlling shareholder of a material subsidiary (before 29 December 2023)
Wuxi Communications Industry Group Co., Ltd and its subsidiaries ("WXCI Group")	Related parties of WXTH (before 29 December 2023)
Wuxi Taihu New City Assets Management Co., Ltd ("Wuxi Taihu New City")	Non-controlling shareholder of a material subsidiary (From 29 December 2023 to 28 February 2024)
Wuxi Taihu New City Group Co., Ltd and its subsidiaries ("Wuxi Taihu New City Group")	Related parties of Wuxi Taihu New City (From 29 December 2023 to 28 February 2024)
HJ	Associate
NBGF	Associate
XMXS	Associate
QDHK	Associate
WXGJ	Associate

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

26. RELATED PARTY DISCLOSURES (continued)

(b) Related party balances



26. RELATED PARTY DISCLOSURES (continued)

(b) Related party balances (continued)

(vii) Liabilities arising from guarantee contracts

Name of Related Parties	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
WXGJ	4,613	N/A
QDHK	4,128	1,588
XMXS	1,848	1,235
NBGF	1,476	1,076
	12,065	3,899

(viii) Lease liabilities

Name of Related Party		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

26. RELATED PARTY DISCLOSURES (continued)

(c) Related party transactions (continued)

(ii) Interest income from loans to associates

Name of Related Parties	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NBGF	**5,814**	3,806
WXGJ	**242**	N/A
	6,056	3,806

(iii) Guarantee income from an associate

Name of Related Party	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
WXGJ	**263**	N/A

(iv) Finance costs – interest on loans from related parties

Name of Related Parties	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
WXGJ	**41,872**	N/A
QDHK	**20,270**	14,098
NBGF	**9,333**	6,906
XMXS	**495**	7,494
WXCI Group	**N/A**	3,553
	71,970	32,051

26. RELATED PARTY DISCLOSURES (continued)

(c) Related party transactions (continued)

(v) Finance costs – guarantee expenses on borrowings

	Six months ended 30 June	
Name of Related Party	**2024 (Unaudited)**	2023 (Unaudited)
WXCI Group	N/A	6,520

(vi) Finance costs – interest expenses on lease liabilities

	Six months ended 30 June	
Name of Related Parties	**2024 RMB'000 (Unaudited)**	2023 RMB'000 (Unaudited)
Bondlink Investment Limited	29	26
WXCI Group	N/A	3
	29	29

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

26. RELATED PARTY DISCLOSURES (continued)

(d) Compensation of key management personnel

During the reporting period, the remunerations of key management personnel which represent the directors of the Company and other members of key management were as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and other allowances	**10,870**	11,709
Share-based payment	**4,558**	1,200
Retirement benefit scheme contributions	**365**	266
Performance related bonuses	**298**	56
	16,091	13,231

The remuneration of these key executives of the Group is determined by Chairman of the Company having regard to the performance of individuals and market trends.

(e) Guarantee

As at 31 December 2023, the Group's borrowing of RMB2,908,294,000 were guaranteed by TUNG CHI FUNG.

Details of the guarantee to associates are set out in note 20.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

27. DEEMED DISPOSAL OF SUBSIDIARIES

(a) Disposal of WXGJ

On 28 February 2024, the Group entered into a capital injection agreement with the non-controlling shareholder of WXGJ which agreed to contribute a total of RMB569,400,000 into WXGJ, an indirectly-held subsidiary of the Company. Upon the completion of the transaction on 29 February 2024, the Group's equity interest in WXGJ diluted from 80% to 49% with a loss of control. On the same day, the Group's retained interest over WXGJ was remeasured to its fair value, which became the initial carrying amount for the purposes of subsequently accounting for such retained interest as an associate because the Group has significant influence over WXGJ.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

27. DEEMED DISPOSAL OF SUBSIDIARIES (continued)

(a) Disposal of WXGJ (continued)

	29/2/2024 RMB'000
Gain on disposal of a subsidiary:	
Fair value of 49% equity interest of WXGJ	734,752
Goodwill	(316,028)
Net assets disposed of	(514,814)
Non-controlling interests	101,191
Reclassification of cumulative FVTOCI reserves upon disposal of WXGJ to profit or loss	(3,966)
Gain on disposal	1,135
Net cash outflow arising on disposal:	
Cash consideration	–
Less: cash and cash equivalents disposed of	200,665
	(200,665)

27. DEEMED DISPOSAL OF SUBSIDIARIES (continued)

(b) Disposal of 招商證券－盛業科技第1期資產支持專項計劃, 招商證券－盛業科技第2期資產支持專項計劃, 招商證券－盛業科技第3期資產支持專項計劃 and 招商證券－盛業科技第4期資產支持專項計劃(collectively, the "CMS－SY ABSs")

As being the assets service agency of CMS-SY ABSs and held the equity tranche interests in these structured entities, the Group considers it has control over such structured entities and these structured entities are consolidated by the Group. With the deemed disposal of WXGJ, the directors of the company considered the Group has loss the control over CMS-SY ABSs as the Group has loss control over WXGJ, which being the assets service agency of these structured entities. On the same day, the Group's retained equity tranche interests over CMS-SY ABSs was remeasured to its fair value and accounted for as other financial assets at FVTPL.

	29/2/2024 RMB'000
Analysis of assets and liabilities over which control was lost:	
Deferred tax assets	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

