SILVER GRANT INTERNATIONAL HOLDINGS GROUP LIMITED
銀建國際控股集團有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 171)

2025 INTERIM RESULTS ANNOUNCEMENT

The board ("Board") of directors ("Directors") of Silver Grant International Holdings Group Limited ("Company") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2025 ("Period 2025") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		(Unaudited)	(Unaudited)
		Six months ended 30 June	
	Notes	**2025**	2024
		HK$'000	*HK$'000*
Revenue	5	**50,810**	46,961
Other income, gains and losses	5	**29,493**	38,337
Direct operating expenses		**(4,111)**	(3,215)
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		**(14,296)**	(21,431)
(Impairment)/reversal of impairment of financial assets, net		**(55,243)**	4,717
Administrative expenses		**(34,616)**	(48,034)
Change in fair value of investment properties		**(87,164)**	(19,107)
Finance costs	6	**(161,375)**	(245,353)
Share of losses of:			
– associates		**(15)**	(262)
– joint ventures		**(47,897)**	(93,949)
Loss before taxation	8	**(324,414)**	(341,336)
Taxation	7	**24,804**	6,463
Loss for the period		**(299,610)**	(334,873)
Loss attributable to:			
– Owners of the Company		**(297,838)**	(306,999)
– Non-controlling interests		**(1,772)**	(27,874)
		(299,610)	(334,873)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– Basic and diluted (HK cents per share)	9	**(12.92)**	(13.32)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(299,610)**	(334,873)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**31,659**	(25,214)
Total other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**31,659**	(25,214)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Loss arising on property revaluation	**(729)**	(1,775)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(729)**	(1,775)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**30,930**	(26,989)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(268,680)**	(361,862)
Total comprehensive loss attributable to:		
– Owners of the Company	**(268,441)**	(327,303)
– Non-controlling interests	**(239)**	(34,559)
	(268,680)	(361,862)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	(Unaudited) As at 30 June 2025 HK$'000	(Note) As at 31 December 2024 HK$'000
NON-CURRENT ASSETS			
Investment properties		**1,946,743**	2,016,909
Property, plant and equipment		**71,764**	50,622
Right-of-use assets		**24,159**	25,605
Interests in associates		**261,574**	257,634
Interests in joint ventures		**850,732**	1,262,968
Amount due from an associate		**413,282**	409,508
Amounts due from joint ventures		**204,936**	202,742
Financial assets at FVTPL		**1,640**	1,640
Total non-current assets		**3,774,830**	4,227,628
CURRENT ASSETS			
Trade receivables	11	**10,123**	9,486
Deposits, prepayments and other receivables		**760,747**	758,117
Amounts due from joint ventures		**1,702**	1,630
Loan receivables		**1,674,743**	1,770,209
Financial assets at FVTPL		**268,584**	278,702
Restricted bank balances		**13,206**	8,518
Cash and bank balances		**47,569**	4,908
Total current assets		**2,776,674**	2,831,570
CURRENT LIABILITIES			
Accrued charges, rental deposits and other payables		**828,643**	701,960
Interest-bearing bank and other borrowings		**3,448,498**	3,411,554
Taxation payable		**107,106**	107,089
Lease liabilities		**2,953**	2,873
Total current liabilities		**4,387,200**	4,223,476

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)
As at 30 June 2025

	(Unaudited) **As at** **30 June** **2025** ***HK$'000***	*(Note)* As at 31 December 2024 *HK$'000*
NET CURRENT LIABILITIES	**(1,610,526)**	(1,391,906)
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,164,304**	2,835,722
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**34,523**	34,166
Lease liabilities	**22,088**	23,183
Deferred tax liabilities	**118,774**	143,584
Total non-current liabilities	**175,385**	200,933
Net assets	**1,988,919**	2,634,789
EQUITY		
Equity attributable to owners of the Company		
Share capital	**3,626,781**	3,626,781
Reserves	**(1,598,954)**	(1,303,230)
	2,027,827	2,323,551
Non-controlling interests	**(38,908)**	311,238
Total equity	**1,988,919**	2,634,789

Note:

The Company's auditor did not express an opinion on the Group's consolidated financial statements for the year ended 31 December 2024 due to multiple uncertainties relating to going concern. Even had there been no multiple uncertainties relating to going concern which precluded the Company's auditor from expressing an opinion on the consolidated financial statements, the opinion of the Company's auditor would have been qualified due to scope limitations in respect of the loan receivables and related loan interest receivables of the Group with a carrying amount of approximately HK$1,535 million, net of loss allowance and approximately HK$399 million, net of loss allowance, respectively, as at 31 December 2024. Further details are set out in the auditor's report included in the Company's annual report for the year ended 31 December 2024.

NOTES:

1. BASIS OF PRESENTATION

As at 30 June 2025, the Group had cash and bank balances of approximately HK$48 million and the Group's interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,448 million were due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK$2,243 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK$1,053 million with original maturity dates of over one year from the end of the reporting period which have been reclassified to current liabilities due to the delay in the payment of interest of certain borrowings. Pursuant to a court order issued in the Chinese Mainland in June 2024, certain bank balances and other assets of the Group were frozen due to the non-payment of an overdue other borrowing with an outstanding principal amount of approximately HK$194 million ("Overdue Other Borrowing"), and a settlement plan was under negotiation between the Group and the relevant creditor. Up to the date of approval of these unaudited condensed consolidated financial statements, except for the Overdue Other Borrowing, the Group has not received any demand for immediate repayment of its bank and other borrowings. As at the date of approval of these unaudited condensed consolidated financial statements, the Group has been actively liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lenders for extension of the repayment date of certain of the other aforesaid borrowings. In addition, in June 2024, the Company entered into an agreement with an independent third party to assign all the rights, title, benefits and interests of the Company to, in and under the loan agreements in relation to 54 loans (the total outstanding principal amount and interest of which amounted to approximately HK$2,429 million as at 31 December 2023) advanced by the Group, which would allow the Group to substantially recover a large portion of the outstanding amount owed to the Group under such loans within a foreseeable timeframe and in a relatively short period of time upon completion.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(i) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

(ii) the Group will continue to take measures to expedite the disposal of financial asset investments, including equity investments and non-performing assets portfolio;

(iii) the Group will continue its negotiations with the lenders of certain bank and other borrowings or other financial institutions on the settlement and/or refinancing of the borrowings; and

(iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements of the Group on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on (i) the successful settlement of the court order in relation to the Overdue Other Borrowing; (ii) the successful and timely implementation of the plans and measures for the disposal of financial asset investments, outstanding loan receivables and loan interest receivables; (iii) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and (iv) the successful obtaining of new sources of financing as and when needed.

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

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix D2 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The financial information relating to the year ended 31 December 2024 that is included in the unaudited condensed consolidated statement of financial position as at 30 June 2025 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("Companies Ordinance") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on the consolidated financial statements for the year ended 31 December 2024. The auditor's report was qualified and contain a statement under sections 407(2) and 407(3) of the Companies Ordinance; and the auditor's report did not contain a statement under section 406(2) of the Companies Ordinance.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025 are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, and the HKICPA has issued a number of amendments to the Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for the current accounting period of the Group.

None of the amendments have had a material effect on how the Group's results and financial position for the current period or prior periods have been proposed or presenting in these unaudited interim condensed consolidated financial statements. The Group has not applied any new standard or interpretation that is not effective for the current accounting period.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has the following reporting segments:

(a) the investments segment representing the investments in financial assets at FVTPL and loan receivables;

(b) the property leasing segment representing holding of properties for rental income and/or potential for capital appreciation; and

(c) the new energy investment and operation segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that non-lease-related finance costs, share of results of associates and joint ventures and corporate expenses are excluded from such measurement.

No segment asset or liability is presented as the chief operating decision maker does not regularly review segment assets and liabilities.

Six months ended 30 June 2025 (Unaudited)

	Investments *HK$'000*	**Property leasing** *HK$'000*	**New energy investment and operation** *HK$'000*	**Total** *HK$'000*
Revenue				
– Rental income	**–**	**50,234**	**–**	**50,234**
– Income from distributed photovoltaic power generation	**–**	**–**	**576**	**576**
	–	**50,234**	**576**	**50,810**
Segment profit/(loss)	**(55,457)**	**(49,436)**	**172**	**(104,721)**
Other unallocated income, gains and losses				**10,171**
Corporate expenses				**(21,209)**
Finance costs (other than interest on lease liabilities)				**(160,743)**
Share of losses of:				
– associates				**(15)**
– joint ventures				**(47,897)**
Loss before taxation				**(324,414)**
Taxation				**24,804**
Loss for the period				**(299,610)**

Six months ended 30 June 2024 (Unaudited)

	Investments *HK$'000*	Property leasing *HK$'000*	New energy investment and operation *HK$'000*	Total *HK$'000*
Revenue				
– Rental income	–	46,961	–	46,961
– Income from distributed photovoltaic power generation	–	–	–	–
	–	46,961	–	46,961
Segment profit	17,682	11,445	–	29,127
Other unallocated income, gains and losses				2,203
Corporate expenses				(34,840)
Finance costs (other than interest on lease liabilities)				(243,615)
Share of losses of:				
– associates				(262)
– joint ventures				(93,949)
Loss before taxation				(341,336)
Taxation				6,463
Loss for the period				(334,873)

Geographical information

Revenue from external customers

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Hong Kong	**–**	–
People's Republic of China ("**PRC**" or "**China**")	**50,810**	46,961
	50,810	46,961

The revenue information above is based on the locations of the customers.

5. REVENUE AND OTHER INCOME, GAINS AND LOSSES

An analysis of revenue is as follows:

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Revenue from other sources		
Gross rental income	**50,234**	46,961
Income from distributed photovoltaic power generation	**576**	–
	50,810	46,961

An analysis of other income, gains and losses is as follows:

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Interest income on:		
– loan receivables	**14,714**	36,133
– bank deposits	**11**	43
Net foreign exchange gain	**210**	19
Net gain on disposal of property, plant and equipment	**1**	–
Net gain on disposal of investment properties	**4,607**	–
Loss on disposal of financial assets at FVTPL	**(38)**	–
Others	**9,988**	2,142
	29,493	38,337

6. FINANCE COSTS

An analysis of finance costs is as follows:

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Interest on bank loans	**3,400**	6,097
Interest on other loans	**157,343**	237,518
Interest on lease liabilities	**632**	1,738
	161,375	245,353

7. TAXATION

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries in Hong Kong had no assessable profits or had incurred tax losses for both reporting periods.

The taxation charge of the PRC Corporate Income Tax ("**CIT**") for the reporting periods has been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the Company's subsidiaries in the PRC. Under the Law of the PRC on Corporate Income Tax ("**CIT Law**") and the Implementation Regulation of the CIT Law, the tax rate of the Company's subsidiaries in the PRC was 25% for both reporting periods.

The withholding tax arising from the dividend income received from the Company's subsidiaries in the PRC was calculated at 5% for both reporting periods.

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Current:		
PRC CIT – charge for the period	**–**	–
Deferred	**(24,804)**	(6,463)
Total tax credit for the period	**(24,804)**	(6,463)

8. LOSS BEFORE TAXATION

The Group's loss before taxation was arrived at after charging/(crediting):

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**1,987**	2,888
Depreciation of right-of-use assets	**1,802**	1,911
Change in fair value of financial assets at FVTPL	**14,296**	21,431
Employee benefit expenses including directors' and co-chief executive officers' remuneration:		
Wages and salaries	**19,454**	22,028
Pension scheme contributions (defined contribution scheme)	**1,178**	1,145
	20,632	23,173
Rental income under operating leases for investment properties, less outgoings of HK$3,724,000 (six months ended 30 June 2024: HK$3,215,000)	**(46,510)**	(43,746)
Impairment/(reversal of impairment) of financial assets, net	**55,243**	(4,717)
Change in fair value of investment properties	**87,164**	19,107

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted loss per share attributable to ordinary equity holders of the Company are based on the following data:

	(Unaudited)	(Unaudited)
	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
Loss for the period attributable to ordinary equity holders of the Company used in the basic and diluted loss per share calculations	**(297,838)**	(306,999)

	Six months ended 30 June	
	2025	2024
	in thousand	*in thousand*
Number of shares:		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculations	**2,304,850**	2,304,850

The denominators used in the calculations of the basic and diluted loss per share are the same as those detailed above for the calculations of the basic and diluted loss per share attributable to the ordinary equity holders of the Company.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025.

10. DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

11. TRADE RECEIVABLES

The Group allows a credit period of 30 to 60 days for its trade customers.

The following is an ageing analysis of the trade receivables presented based on the invoice dates at the end of the reporting periods, which approximated the respective revenue recognition dates:

	As at 30 June 2025 *HK$'000*	As at 31 December 2024 *HK$'000*
Within 1–2 months	**9,934**	9,486
Over 2 months	**189**	–
	10,123	9,486

12. COMMITMENTS

The Group had the following capital commitments at the end of the reporting periods:

	As at 30 June 2025 *HK$'000*	As at 31 December 2024 *HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**2,275**	4,204

BUSINESS REVIEW

In the first half of 2025, the US government's frequent adjustments of its trade policies had disrupted the long-established international economic order. The geopolitical landscape, marked by intertwined old and new conflicts along with multiple regional disputes, had pushed the global economy into a new phase characterised by increased uncertainty and unpredictability. Global supply chains were under pressure and long-term planning for businesses were hindered due to the frequent changes in US tariff policies. The impacts were particularly severe for countries and regions with strong manufacturing sectors as well as economies with high trade dependency on the US. During the period under review, global inflation levels had steadily approached the target ranges set by the major central banks; however, monetary policies varied across different economies. At its meeting in June 2025, the Federal Reserve decided to maintain the federal funds rate target range at 4.25% to 4.50% while it would continue to reduce its balance sheet. Meanwhile, the European Central Bank had cut interest rates eight consecutive times since the commencement of its easing cycle in June 2024, stipulating that its inflation target had been largely achieved with the rate-cutting cycle nearing its end. The Chinese government had adhered to a more proactive macroeconomic policy by expanding its fiscal deficit and selectively cutting interest rates and reserve requirements to further support the real economy and address the downward economic pressures. Looking back to Period 2025, China had accelerated the cultivation of new quality productive forces for its strategic emerging industries, such as artificial intelligence, semiconductors and biomedicine, which had entered a rapid development phase. Meanwhile, the significant results achieved from green transformation and the year-on-year increased capacity in the new energy vehicles and solar cell industries all highlighted the global competitive advantages of China in the clean energy field.

In the first half of 2025, the photovoltaic industry in China experienced significant policy-driven developments and market adjustments following the release of the "Measures for the Administration of the Development and Construction of Distributed Photovoltaic Power Generation*" (《分布式光伏發電開發建設管理辦法》) and the "Notice on Deepening the Market-oriented Reform of New Energy Feed-in Tariff to Promote High-Quality Development of New Energy*" (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》) by the Chinese government at the beginning of 2025, which had triggered a rush for installing photovoltaic power stations in the country. From January to June in 2025, the domestic installed photovoltaic capacity reached 212.12 gigawatts (GW), representing a year-on-year growth of 107%, with distributed photovoltaics as the main driver of such increase. On the other hand, the photovoltaic industry had also witnessed rapid technological iteration. Intense competition occurred among leading companies in areas such as N-type cells, tandem technologies, module efficiency improvements and material innovations, driving the industry from "scale expansion" to "technology-driven" transformation and accelerating the reshuffling process within the industry. During the period under review, the Group promoted the simultaneous business expansion of the three key niches of "photovoltaics, storage and charging" in its new energy investment and operation business segment. In particular, the installed capacity of the Group's distributed photovoltaic power generation had further expanded, and by the end of June 2025, the Group had six distributed photovoltaic power generation stations in operation and two projects under construction, which would bring the total installed capacity of the Group to approximately 10 megawatts (MW), and a station with

* *English name is translated for identification purpose only*

an installed capacity of approximately 6MW having been contracted, the construction of which was scheduled to commence. As at 30 June 2025, the Group had 30 potential projects in relation to photovoltaic power under negotiation, which were expected to yield an aggregate installed capacity exceeding 30MW. The Group had also made positive progress in its energy storage business by entering into negotiations with parties to carry out construction work of energy storage facilities and related infrastructure under a 15 megawatt-hour (MWh) energy storage project, with the related construction contract being entered into and executed by the Group in July 2025. In terms of the electric vehicle charging station business, as at 30 June 2025, the Group had one project put into operation, and another in its planning stage.

As a result of the implementation of the new energy policies by the government, 北京靈駿新能源科技有限責任公司 (Beijing Lingjun New Energy Technology Company Limited*) ("Beijing Lingjun"), a joint venture of the Company principally engaged in the research and development, transfer and promotion of new energy technology, saw an increase in new orders for its invested photovoltaic cell module project company from March to April in 2025. However, following the rush for photovoltaic installations as mentioned above, there was a significant decline in new orders. Despite the fact that orders in the first half of 2025 fell short of its expectation due to industry competition, the order structure of the project company had improved, further reducing its reliance on a single major client. During Period 2025, the project company continued to invest in research and development and had obtained the zero busbar (0BB) module technology certification for its solar panel products, which, once mass production capabilities are established, will further lower its production costs and optimise its profitability. The loss recorded by the project company for Period 2025 increased due to the rise in raw material costs and finance costs as compared with those for the six months ended 30 June 2024 ("**Period 2024**"), thereby increasing the loss of Beijing Lingjun shared by the Company in Period 2025.

During the period under review, the operations of 中海油氣(泰州)石化有限公司 (Zhong Hai You Qi (Tai Zhou) Petrochemical Company Limited*) ("Zhong Hai You Qi"), a joint venture of the Company principally engaged in the production and trading of petroleum and petrochemical products, remained smooth and steady. In addition to continuously expanding its sales channels for high-value-added products, Zhong Hai You Qi has also strived to promote energy-saving and emission-reduction initiatives alongside digital transformation of its operations. However, due to multiple factors including the production increase of crude oil agreed by the eight OPEC+ countries, geopolitical conflicts and global trade tensions, international crude oil prices exhibited a trend of initial decline, which was followed by a rebound during Period 2025. The markets for key petrochemical products such as gasoline, diesel, asphalt and petroleum coke reflected a trend of rising prices followed by declines due to the fluctuations in crude oil prices and supply-demand dynamics. In light of the initiatives and transformation undertaken to optimise its operations during the period under review, the performance of Zhong Hai You Qi improved in spite of the increase in its production costs as a result of the rise in the price of crude oil (one of the major raw materials used in the production of its petrochemical products), thereby decreasing the loss of Zhong Hai You Qi shared by the Company in Period 2025 as compared with that in Period 2024.

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Property Leasing

The rental income from the Group's property leasing business during Period 2025 was approximately HK$50,234,000, representing an increase of approximately 7.0%, as compared with that of approximately HK$46,961,000 during Period 2024. This was mainly due to the effective operational strategies implemented by the Group's property management team, which had allowed the Group to maintain its occupancy rates and achieved a slight increase in its rental income despite the overall decline in rental prices in the leasing market during the period under review. The revenue from such segment was derived from East Gate Plaza, an investment property of the Group located in Beijing, China, consisting of rental apartments, shops, offices and parking lots. Notwithstanding that the vacancy rate and rental levels in the surrounding commercial area remained gloomy during Period 2025, the property management team of the Group had improved the satisfaction of existing tenants and secured a more stable customer base through multiple strategies to enhance service quality, increase customer traffic and optimise tenant experiences. Additionally, in line with market trends, the property management team had also established we-media marketing channels to promote property listings and increase brand visibility, thereby improving customer acquisition and conversion rates.

Investments

The Group has made investments in certain enterprises in China which are classified by the Group as financial assets at FVTPL. As at 30 June 2025, the NT Trust Scheme (as defined below) was the most significant financial asset investment of the Group, the carrying value of which represented approximately 2.1% (31 December 2024: 2.0%) of the total assets of the Group. Further details of the NT Trust Scheme are set out below:

The Group has invested RMB505,000,000 (equivalent to approximately HK$553,728,000) in aggregate into a trust ("NT Trust Scheme") managed by 國民信託有限公司 (National Trust Co., Ltd.*), which holds a portfolio of limited liability partnerships investing in property development investments in Zhuozhou and Shenyang in the PRC. As at 30 June 2025, the carrying value of the NT Trust Scheme as measured at FVTPL, amounted to approximately HK$134,882,000 (31 December 2024: HK$144,431,000) and accounted for approximately 2.1% (31 December 2024: 2.0%) of the total assets of the Group. Out of the loss of approximately HK$14,296,000 (Period 2024: HK$21,431,000) recorded by the Group in the change in fair value of financial assets at FVTPL for Period 2025, a loss of approximately HK$11,651,000 (Period 2024: HK$17,393,000) was attributable to the fair value change of the NT Trust Scheme as at 30 June 2025. The Group did not receive any distribution from the NT Trust Scheme during Period 2025 (Period 2024: nil). Based on the current investment strategy of the Group, its interest in the NT Trust Scheme is held for trading and classified as a current asset in its unaudited condensed consolidated statement of financial position.

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The objective of the Group in relation to its investments in financial assets is to capture returns from the appreciation of the value of its investments and to receive income therefrom. The Board believes that it is necessary to expedite the sale of existing financial assets, including equity investment projects and the non-performing asset portfolio, with an aim to manage working capital and improve the Group's financial position. The Group's investment management team regularly reviews the latest progress of existing projects and actively seeks exit opportunities or potential buyers for cash inflows. During Period 2025, the Group disposed of financial asset investments for approximately RMB4,800,000.

New Energy Investment and Operation

The Group had started to diversify its investments in the new energy industry in 2024. To facilitate the development, investment and operation of new energy projects, the Group has established a professional team and conducted preliminary business model explorations, as well as practical case studies. In the first half of 2025, by further optimising its project management system and enhancing both internal and external collaborations, the Group has achieved notable results in the expansion of new energy projects. As mentioned above, as of 30 June 2025, the Group had six distributed photovoltaic power generation stations already in operation and two other projects under construction, which would bring the total installed capacity of the Group to approximately 10MW, and an additional station with an installed capacity of approximately 6MW having been contracted, the construction of which was scheduled to commence. These projects are located in various prefecture-level cities in the Guangdong and Hunan provinces of China, encompassing rooftop resources from a diverse range of premises, including hospitals, schools, hotels, factories and logistics parks. Additionally, during Period 2025, the Group had one energy storage project under negotiation (the contract of which was entered into and executed by the Group in July 2025), two electric vehicle charging station projects (one under operation and the other in its planning stage). With the successive implementation and operation of these projects, the Group has begun to generate revenue (with revenue derived from distributed photovoltaic power generation of approximately HK$576,000 being recorded by the Group for Period 2025), laying a solid foundation for its strategic layout of new energy and future sustainable development.

PROSPECTS AND OUTLOOK

Looking ahead to the second half of 2025, uncertainties associated with the ever-changing US trade policy, geopolitical risks and inflation pressures remain prevalent. To cope with the internal and external volatilities that may arise as a result of the uncertainties, the Chinese central government has reserved ample policy space. Regarding monetary policy, the government will have more room to maneuver when designing and implementing policies under the low price levels in China. With respect to fiscal policy, China's fiscal deficit and government debt ratios are significantly lower than most of the developed economies and emerging markets, providing substantial room for borrowing. The year of 2025 marks the final year of China's "14th Five-Year Plan" and the planning year for the "15th Five-Year Plan". The "15th Five-Year Plan" period is crucial for China to achieve its carbon peak target by 2030, with green transformation and development being one of its key focuses. In the current domestic environment with low interest rates, the Group, rooted in China's market, will leverage its resources, align with national policies and continue to expand its new energy investment and operation business, steadily progressing toward the goal of strategic transformation.

FINANCIAL REVIEW

The loss attributable to the owners of the Company decreased by approximately 3.0% from approximately HK$306,999,000 for Period 2024 to approximately HK$297,838,000 for Period 2025 and the basic loss per share attributable to ordinary equity holders of the Company decreased from 13.32 HK cents for Period 2024 to 12.92 HK cents for Period 2025, mainly due to the following combined effects:

(a) the decrease in the Group's other income, gains and losses from a gain of approximately HK$38,337,000 for Period 2024 to that of approximately HK$29,493,000 for Period 2025, which was mainly due to the decrease in the aggregate interest income generated from the Group's loan receivables from approximately HK$36,133,000 for Period 2024 to approximately HK$14,714,000 for Period 2025;

(b) the increase in the loss from the fair value of the investment properties of the Group from approximately HK$19,107,000 for Period 2024 to approximately HK$87,164,000 for Period 2025, which was mainly attributable to the increase in the fair value loss of the Group's investment property located in Beijing as at 30 June 2025, as compared with that as at 31 December 2024;

(c) the change in the Group's impairment of financial assets, net, from a reversal of approximately HK$4,717,000 for Period 2024 to a provision of approximately HK$55,243,000 for Period 2025, which was mainly attributable to the impairment loss provision in the amount of approximately HK$38,542,000 made by the Group on its loan receivables under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* during Period 2025 due to the deterioration in the credit quality of the Group's loan receivables in Period 2025; and

(d) the decrease in the finance costs incurred by the Group from approximately HK$245,353,000 for Period 2024 to approximately HK$161,375,000 for Period 2025, which was mainly due to (i) the reduction of the interest rate of one of the loans granted by a financial institution to the Group by one-third during Period 2025; and (ii) the additional interest and related charges recorded by the Group during Period 2024, which were absent in Period 2025.

Revenue

Revenue for Period 2025 included (i) rental income generated from East Gate Plaza, an investment property of the Group located in Beijing, China, consisting of apartments, shops and offices, which amounted to approximately HK$50,234,000 (Period 2024: HK$$46,961,000); and (ii) income derived from distributed photovoltaic power generation, which amounted to approximately HK$576,000 (Period 2024: nil).

Other income, gains and losses

The decrease in the Group's other income, gains and losses from a gain of approximately HK$38,337,000 for Period 2024 to that of approximately HK$29,493,000 for Period 2025 was mainly due to the decrease in the aggregate interest income generated from the Group's loan receivables from approximately HK$36,133,000 for Period 2024 to approximately HK$14,714,000 for Period 2025.

Impairment/(Reversal of impairment) of financial assets, net

The change in the Group's impairment of financial assets, net, from a reversal of impairment of approximately HK$4,717,000 for Period 2024 to a provision of approximately HK$55,243,000 for Period 2025 was mainly attributable to the impairment loss provision in the amount of approximately HK$38,542,000 made by the Group on its loan receivables under the expected credit loss model in accordance with HKFRS 9 *Financial Instruments* in Period 2025, as a result of the deterioration in the credit quality of the Group's loan receivables during Period 2025.

Change in fair value of investment properties

The increase in the loss from the fair value of the investment properties of the Group from approximately HK$19,107,000 for Period 2024 to approximately HK$87,164,000 for Period 2025 was mainly attributable to the increase in the fair value loss of the Group's investment property located in Beijing as at 30 June 2025, as compared with that as at 31 December 2024.

Finance costs

The decrease in the finance costs incurred by the Group from approximately HK$245,353,000 for Period 2024 to approximately HK$161,375,000 for Period 2025 was mainly due to (i) the reduction of the interest rate of one of the loans granted by a financial institution to the Group by one-third during Period 2025; and (ii) the additional interest and related charges recorded by the Group during Period 2024, which were absent in Period 2025.

Share of losses of joint ventures

The decrease in the Company's share of losses of joint ventures from approximately HK$93,949,000 for Period 2024 to approximately HK$47,897,000 for Period 2025 was mainly attributable to the combined effects of (i) the reduction in the Company's share of Zhong Hai You Qi's loss from approximately HK$83,646,000 for Period 2024 to approximately HK$32,095,000 for Period 2025 as a result of the improvement in the performance of Zhong Hai You Qi during Period 2025; and (ii) the increase in the loss of Beijing Lingjun shared by the Company from approximately HK$10,303,000 for Period 2024 to approximately HK$15,802,000 for Period 2025 due to the increase in the loss of the project company invested by Beijing Lingjun caused by the increase in raw material costs and finance costs in Period 2025.

Property, plant and equipment

The increase in the Group's property, plant and equipment from approximately HK$50,622,000 as at 31 December 2024 to approximately HK$71,764,000 as at 30 June 2025, was mainly due to the increase in the purchase of new distributed photovoltaic power generation and electric vehicle charging station equipment by the Group during Period 2025 as a result of the development and expansion of the Group's new energy investment and operation business.

Accrued charges, rental deposits and other payables

The increase in the Group's accrued charges, rental deposits and other payables from approximately HK$701,960,000 as at 31 December 2024 to approximately HK$828,643,000 as at 30 June 2025 was mainly attributable to the increase in the accrued interest expenses of the Group.

EXCHANGE EXPOSURE

In Period 2025, the Group's principal assets, liabilities, revenue and payments were denominated in HK$, RMB and the United States dollar ("US$"). In the opinion of the Board, RMB will remain as a regulated currency in the foreseeable future. Although the market is generally anticipating an increased volatility in the RMB exchange rate, the Board does not expect that it will have any material adverse effect on the financial position of the Group. However, the Board will closely monitor the future development of the RMB exchange rate and will take appropriate actions as necessary.

In addition, the Board does not anticipate that there will be any material exchange exposure to the Group in respect of other currencies.

At the end of Period 2025, the Group had no material liability denominated in any foreign currencies other than RMB. There was also no hedging transaction contracted for by the Group during Period 2025.

TREASURY POLICY

The Group has adopted a conservative treasury policy under which the Group keeps its investment costs under control and manages the returns on its investments efficiently. The Group has guidelines in place to monitor and control its investment risk exposure and to manage its capital. The Group also strives to reduce its exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Board closely reviews the Group's liquidity position to ensure the Group has adequate liquidity to meet its funding requirements at all times.

Cash Position

	As at 30 June 2025	As at 31 December 2024
	HK$'000	*HK$'000*
Restricted bank balances	**13,206**	8,518
Cash and bank balances	**47,569**	4,908
	60,775	13,426

As at 30 June 2025, the Group's cash and bank balances were denominated in the following currencies:

	As at 30 June 2025	As at 31 December 2024
HK$	**0.6%**	26.3%
RMB	**99.4%**	73.4%
US$	**0.0%**	0.3%
	100.0%	100.0%

The Group conducted its business almost exclusively in RMB except that certain transactions were conducted in HK$ and US$. The conversion of RMB into HK$, US$ or other foreign currencies has been based on the rates set by the People's Bank of China. The value of RMB against HK$, US$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. The Group has not adopted any financial instruments for hedging purposes. However, the Group will constantly assess the foreign exchange risk it encounters so as to decide on the hedging policy required against the possible foreign exchange risk that may arise.

Working Capital and Borrowings

As at 30 June 2025, the Group's total borrowings amounted to approximately HK$3,483,021,000 in aggregate. The composition of these borrowings is summarised below:

	As at 30 June 2025	As at 31 December 2024
	HK$'000	*HK$'000*
Short term borrowings	**3,448,498**	3,411,554
Long term borrowings	**34,523**	34,166
Total borrowings	**3,483,021**	3,445,720
Less: cash and bank balances	**(47,569)**	(4,908)
Net borrowings	**3,435,452**	3,440,812

Interests for all borrowings of the Group for Period 2025 were charged at fixed and floating rates ranging from 5.0% per annum to 27.6% per annum (Period 2024: 3.7% per annum to 27.6% per annum).

As at 30 June 2025, the long and short term borrowings of the Group which remained outstanding were denominated as follows:

	As at 30 June 2025	As at 31 December 2024
	HK$'000	*HK$'000*
RMB	**3,483,021**	3,445,720

As at 30 June 2025, the long and short term borrowings of the Group which remained outstanding carried fixed and floating interest rates as follows:

	As at 30 June 2025 *HK$'000*	As at 31 December 2024 *HK$'000*
Fixed interest rates	**1,426,001**	1,406,758
Floating interest rates	**2,057,020**	2,038,962
	3,483,021	3,445,720

As at 30 June 2025, the maturity profile of the long and short term borrowings of the Group was as follows:

	As at 30 June 2025 *HK$'000*	As at 31 December 2024 *HK$'000*
Bank loans repayable:		
Within one year or on demand	**135,305**	142,979
Other loans repayable:		
Within one year or on demand	**3,313,193**	3,286,575
In the second year	**349**	334
In the third to fifth years, inclusive	**34,067**	33,520
Over five years	**107**	312
	3,347,716	3,302,741
	3,483,021	3,445,720

As at 30 June 2025, the gearing ratio (calculated as total borrowings over equity attributable to owners of the Company) and the current ratio (calculated as current assets over current liabilities) of the Group were 172% (31 December 2024: 148%) and 0.63x (31 December 2024: 0.67x), respectively. These ratios are key performance indicators used by the management of the Group to measure the Group's level of leverage to ensure the Group has the liquidity to meet its financial obligations at all times. The Group will strive to improve its liquidity by expediting its collection of outstanding loan receivables and disposal of financial asset investments (including equity investments and non-performing assets portfolio) which will bring a reasonable return to the Group.

As at 30 June 2025, the Group had cash and bank balances of approximately HK$48 million, and interest-bearing bank and other borrowings with an aggregate carrying amount of approximately HK$3,448 million which were due to be repaid within 12 months from the end of the reporting period, including (i) borrowing of approximately HK$2,243 million which has not been repaid according to the scheduled repayment date before the end of the reporting period; and (ii) borrowings of approximately HK$1,053 million with original maturity dates of over one year from the end of the reporting period, which have been reclassified to current liabilities due to the delay in the payment of interest of certain borrowings. Pursuant to a court order issued in the Chinese Mainland in June 2024, certain bank balances and other assets of the Group were frozen due to the non-payment of the Overdue Other Borrowing, and a settlement plan was under negotiation between the Group and the relevant creditor. Up to the date of approval of this announcement, except for the Overdue Other Borrowing, the Group has not received any demand for immediate repayment of its bank and other borrowings. As at the date of approval of this announcement, the Group has been actively liaising with the lender for settlement of the court order in relation to the Overdue Other Borrowing and negotiating with the relevant lenders for extension of the repayment date of certain of the other aforesaid borrowings. In addition, on 27 June 2024, the Company and Guangdong Zhuguang Group Company Limited* (廣東珠光集團有限公司) ("Guangdong Zhuguang"), an independent third party, entered into a loan assignment agreement ("Loan Assignment Agreement"), pursuant to which the Company has agreed to sell and transfer, and Guangdong Zhuguang has agreed to purchase from the Company all the rights, title, benefits and interests of the Company to, in and under the loan agreements ("Loan Agreements") entered into between the Company together with six of its wholly-owned subsidiaries as lenders and a total of 54 independent third party borrowers (including but not limited to the loans ("Loans") with total outstanding principal amount and interest of approximately RMB2,201 million (equivalent to approximately HK$2,429 million) as at 31 December 2023 advanced by the Group under the Loan Agreements and all security created thereunder) accruing thereto from 1 January 2024 ("Loan Interest"), whereas the consideration shall be satisfied by Guangdong Zhuguang by (i) entering into a deed of novation to assume the obligations of East Gate (Beijing) Property Management Co., Ltd.* (東環(北京)物業管理有限公司) ("Beijing East Gate"), a wholly-owned subsidiary of the Company, under two entrusted loan agreements ("Entrusted Loan Agreements") (including but not limited to the repayment obligation of the underlying entrusted loans ("Entrusted Loans") in the aggregate outstanding principal amount of approximately RMB1,880 million (equivalent to approximately HK$2,075 million), the

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release of all existing charges, guarantee and pledge of shares, and the provision of new charge(s), guarantee and/or pledge of shares pursuant to the requests of the entrusting party and the lender, if required) ("Debt Novation"); and (ii) assignment of certain car parking spaces located in the Guangdong province of the PRC ("Target Properties"), at completion of the transactions ("Transactions") contemplated under the Loan Assignment Agreement ("Completion"). Completion is conditional upon and subject to, among others, the passing by the independent shareholders of the Company at an extraordinary general meeting ("EGM") convened by the Company of all necessary resolution(s) to approve the Loan Assignment Agreement and the Transactions. At the EGM held on 28 February 2025, the Loan Assignment Agreement and the Transactions have been approved by the shareholders of the Company. The Transactions, if materialised, would provide a good opportunity to the Group to substantially recover a large portion of the outstanding amount owed to the Group under the Loan Agreements within a foreseeable timeframe and in a relatively short period of time, thereby minimising the uncertainty and the credit risks associated with the Loan Interest and the administrative costs to be incurred by the Group for collecting the outstanding Loan Interest, and the Debt Novation would provide a good opportunity for the Group to settle the Entrusted Loans as the rights and liabilities of the Group under the Entrusted Loan Agreements would be discharged. The transfer of the Target Properties to the Group would allow the Group to enlarge and diversify its investment properties portfolio with high quality assets, as well as to strengthen the income base of the Group and to generate stable cash flows to the Group. Further details of the Loan Assignment Agreement and the Transactions are set out in the announcements of the Company dated 27 June 2024, 31 July 2024, 30 August 2024, 30 September 2024, 31 October 2024, 31 December 2024, 22 January 2025 and 28 February 2025 and the circular of the Company dated 12 February 2025.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(i) the Group will continue to implement measures for the disposal of the outstanding loan receivables and loan interest receivables;

(ii) the Group will continue to take measures to expedite the disposal of financial asset investments, including equity investments and non-performing assets portfolio;

(iii) the Group will continue its negotiations with the lenders of certain bank and other borrowings or other financial institutions on the settlement and/or refinancing of the borrowings; and

(iv) the Group will obtain additional credit facilities from existing and other lenders as and when needed.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 30 June 2025. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements of the Group on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on (i) the successful settlement of the court order in relation to the Overdue Other Borrowing; (ii) the successful and timely implementation of the plans and measures for the disposal of financial asset investments, outstanding loan receivables and loan interest receivables; (iii) the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings; and (iv) the successful obtaining of new sources of financing as and when needed.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Company's unaudited condensed consolidated financial statements for Period 2024 set out in this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS

On 24 February 2025, Beijing East Gate, a wholly-owned subsidiary of the Company, and Mr. Liu Rui ("Mr. Liu"), an independent third party, entered into a sale and purchase agreement ("SPA"), pursuant to which Mr. Liu has agreed to purchase, and Beijing East Gate has agreed to sell, a residential property of gross area of 173.49 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC ("Property"), at the consideration of RMB10,200,000 (equivalent to approximately HK$11,062,000) ("February Disposal"). As the registration of the transfer of the Property from Beijing East Gate to Mr. Liu with the relevant registration authority in the PRC could not be effected on or before 14 April 2025 in accordance with the SPA, and Beijing East Gate and Mr. Liu could not agree on the extended date of completion of the February Disposal, Beijing East Gate and Mr. Liu entered into a termination agreement on 20 June 2025, under which, among others, the SPA shall be terminated with effect from 20 June 2025, thereby releasing and discharging each of Beijing East Gate and Mr. Liu from its/his obligations, duties and liabilities under the SPA ("Termination"). Further details of the February Disposal and the Termination are set out in the Company's announcements dated 24 February 2025 and 20 June 2025, respectively.

On 25 March 2025, Beijing East Gate and Hangzhou Guangyao Zhixin Zhengze Enterprise Management Consulting Partnership (Limited Partnership)* (杭州光曜致新正澤企業管理諮詢合夥企業(有限合夥)) ("Hangzhou Guangyao"), an independent third party, entered into (i) the first sale and purchase agreement, pursuant to which Hangzhou Guangyao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 173.01 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC, at the consideration of RMB10,438,000 (equivalent to approximately HK$11,302,000) ("First March Disposal"); and (ii) the second sale and purchase agreement, pursuant to which Hangzhou Guangyao has agreed to purchase, and Beijing East Gate has agreed to sell, the residential property of gross area of 275.48 square metres situated at Level 4, North Apartment Tower, East Gate Plaza, 19 Dongzhong Street, Dongcheng District, Beijing, the PRC, at the consideration of RMB16,611,000 (equivalent to approximately HK$17,986,000) ("Second March Disposal", together with the First March Disposal, the "March Disposals"). The March Disposals were completed in April 2025. Further details of the March Disposals are set out in the Company's announcement dated 25 March 2025.

Save for the above, the Group did not have any material acquisition or disposal during Period 2025.

PLEDGE OF ASSETS

As at 30 June 2025, the Group pledged certain investment properties, and plant and machinery with aggregate carrying values of approximately HK$1,894,737,000 and HK$2,512,000, respectively (31 December 2024: HK$1,963,283,000 and HK$2,523,000), to secure general banking facilities granted to the Group, other loans and other payables to an independent third party.

COMMITMENTS

As at 30 June 2025, the Group had capital expenditures contracted for but not provided for in its unaudited condensed consolidated financial statements in respect of the purchase of property, plant and equipment of approximately HK$2,275,000 (31 December 2024: HK$4,204,000). It is expected that the capital expenditures will be settled by cash through internal resources of the Group.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group provided corporate guarantees of approximately HK$794,547,000 (31 December 2024: HK$1,596,748,000) in respect of the loans granted to a joint venture of the Company.

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CAPITAL STRUCTURE

As at 30 June 2025, the shareholders' fund of the Company was approximately HK$2,027,827,000, representing a decrease of approximately HK$295,724,000 or approximately 12.73%, as compared to that of approximately HK$2,323,551,000 as at 31 December 2024. The decrease was mainly contributed by (i) the loss attributable to the owners of the Company for Period 2025; and (ii) the exchange gain arising from the translation of foreign operation credited to exchange translation reserve due to the appreciation of the RMB against HK$ during Period 2025.

HUMAN RESOURCES

As at 30 June 2025, the Group employed 56 employees (31 December 2024: 45 employees) in Hong Kong and in the PRC. Total employee benefit expenses for Period 2025 were approximately HK$20,632,000, as compared to those of approximately HK$23,173,000 for Period 2024.

During Period 2025, the Group offered its employees competitive remuneration packages, which were consistent with the prevailing market practices in the relevant jurisdictions. The remuneration package for each employee of the Group contains a combination or modification of some or all of the following four main components: (i) basic salary; (ii) incentive bonus; (iii) share options (no share option scheme of the Company is in force as at the date of this interim results announcement); and (iv) other benefits, such as statutory retirement scheme and medical insurance. Incentive bonus and share options for each employee are determined with reference to the employee's position, performance and ability to contribute to the overall success of the Group. The Group's remuneration policies remained unchanged during Period 2025. The employees of the Group are remunerated according to their respective job nature, market conditions, individual performance and qualifications. As the Group views career development as an important aspect of its employees, ongoing training has been provided to its employees according to the needs of the Group during Period 2025.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (Period 2024: nil).

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance in the interests of its shareholders of the Company.

Except for the deviations specified below, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code ("Code") contained in Part 2 of Appendix C1 to the Listing Rules then in force throughout Period 2025.

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the period under review, the Company did not have a separate chairman and chief executive officer as Mr. Chu Hing Tsung ("Mr. Chu") assumed both the roles of the chairman ("Chairman") and one of the co-chief executive officers of the Company. The Board believes that vesting both the roles of chairman and chief executive officer/co-chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions efficiently.

Code provision F.2.2 of the Code stipulates that the chairman of the board should attend the annual general meeting of the company. Mr. Chu, the Chairman, was unable to attend the annual general meeting of the Company held on 25 June 2025 ("AGM") due to illness. Mr. Chu will endeavour to attend all future annual general meetings of the Company unless unexpected or special circumstances prevent him from doing so.

Pursuant to Code Provision B.2.4(b) of the Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. As at the date of the AGM, all the independent non-executive Directors, namely, Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming, had served more than nine years on the Board. However, the Company was unable to appoint a new independent non-executive Director to the Board at the AGM as it was still in the course of identifying a suitable candidate then. The Company will publish further announcement(s) when the relevant appointment is made.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the Code) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix C3 to the Listing Rules.

On specific enquiries made, all Directors confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during Period 2025.

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

During Period 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

EVENT AFTER REPORTING PERIOD

On 28 July 2025, (i) Taizhou Yinjian Energy Investment Co., Limited* (泰州銀建能源投資有限公司) ("Taizhou Yinjian"), a wholly-owned subsidiary of the Company; (ii) NR Engineering Co., Ltd.* (南京南瑞繼保工程技術有限公司) ("Nanrui Jibao"), an independent third party; and (iii) Shanghai Hongming Construction (Group) Co., Ltd.* (上海弘明建設(集團)有限公司) ("Shanghai Hongming", together with Nanrui Jibao, the "Contractors"), an independent third party, entered into a construction contract ("Construction Contract"), pursuant to which the Contractors have agreed to carry out the design, onsite survey and construction of energy storage facilities which shall be equipped with 7.5MW/15MWh lithium iron phosphate systems and the related infrastructure ("Construction Work") at the petroleum and petrochemical product production plant of Zhong Hai You Qi (a joint venture of the Company) located in Taizhou City, Jiangsu Province, the PRC, at the contract price of approximately RMB14,200,000 (equivalent to approximately HK$15,609,000). Further details of the Construction Contract are set out in the Company's announcement dated 28 July 2025.

Save for the entering into of the Construction Contract, the Group had no significant event after the end of the period under review and up to the date of this announcement.

INTERIM FINANCIAL REPORT

The interim report of the Company for Period 2025 will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.silvergrant.com.cn) in due course.

AUDIT COMMITTEE

The Company has established an audit committee ("Audit Committee") with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Hung Muk Ming, Mr. Liang Qing and Mr. Zhang Lu. Mr. Hung Muk Ming is the chairman of the Audit Committee.

The unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2025 have been reviewed by the Audit Committee.

* *English name is translated for identification purpose only*

APPRECIATION

The Board would like to express its appreciation and gratitude to the shareholders of the Company for their support and all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goals.

On behalf of the Board
Silver Grant International Holdings Group Limited
Chu Hing Tsung
Chairman, Co-Chief Executive Officer and Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (alias Zhu Qing Yi) (Chairman and Co-Chief Executive Officer), Mr. Zhang Wenguang (Co-Chief Executive Officer), Mr. Weng Jian and Ms. Ku Ka Lee as executive Directors; Mr. Chen Yongcun and Mr. Chen Zhiwei as non-executive Directors; and Mr. Liang Qing, Mr. Zhang Lu and Mr. Hung Muk Ming as independent non-executive Directors.