

金奧國際股份有限公司

KEYNE LTD

(Incorporated in Bermuda with limited liability)
Stock Code: 00009

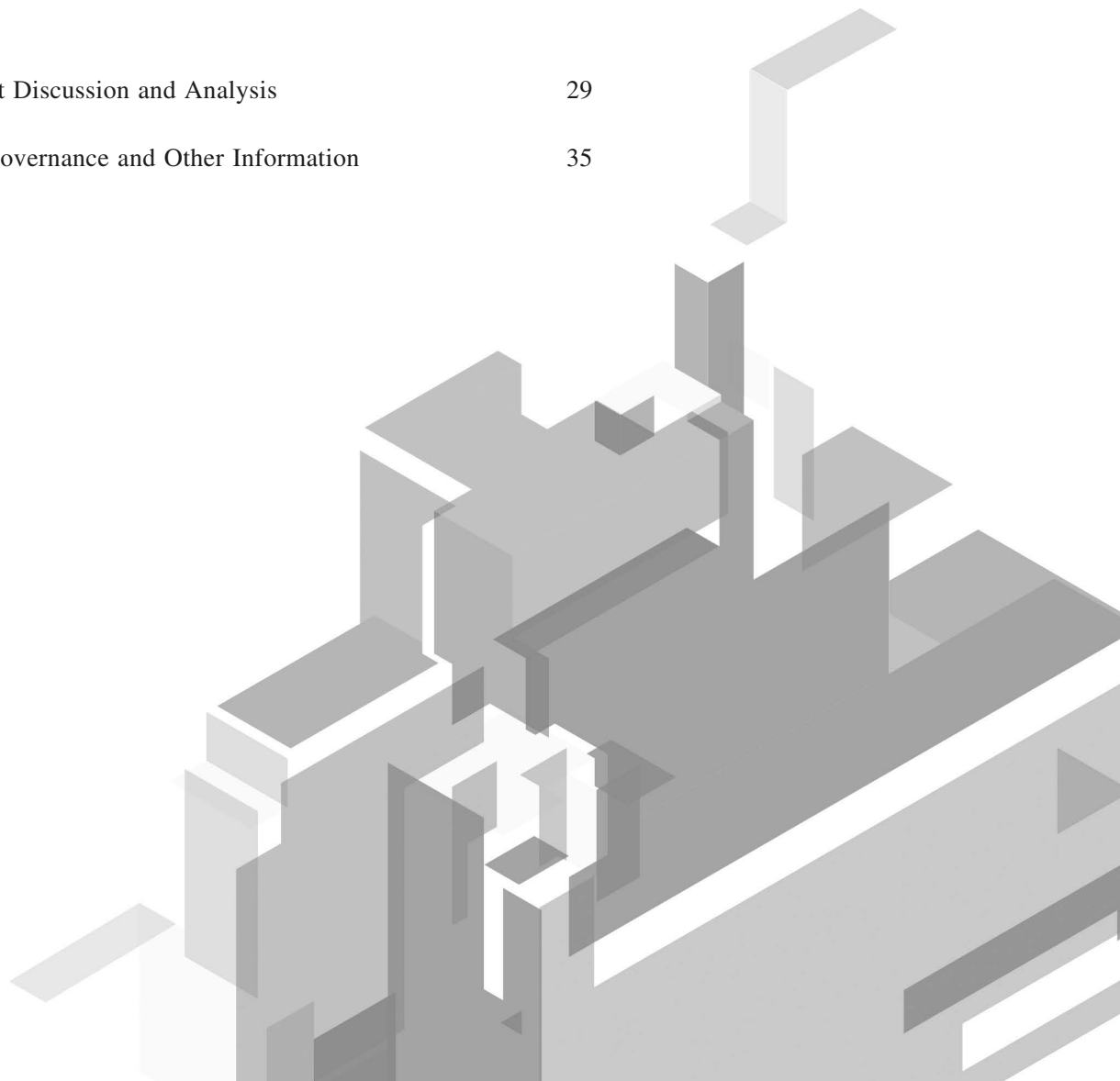
2025

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Ms. Qian Ling Ling (*Chairman*)

Mr. Yu Chao

Mr. Xiang Junjie

Non-executive Directors:

Mr. Peter Zhu (*appointed at 13 Nov 2025*)

Independent Non-executive Directors:

Mr. Tsui Pui Hung

Mr. Zong Yi Duo (*appointed at 5 Nov 2025*)

Ms. Chan Siu Mat (*appointed at 5 Nov 2025*)

COMPANY SECRETARY

Mr. Chen Kenneth

AUTHORISED REPRESENTATIVES

Ms. Qian Ling Ling

AUDITOR

Rongcheng (HK) CPA Limited

(Formerly known as CL Partners CPA Limited)

1902-04, Rightful Centre,
12 Tak Hing Street, Kowloon

PRINCIPAL BANKERS

Industrial and Commercial Bank of
China Limited

Industrial and Commercial Bank of China
(Asia) Limited

Dongguan Rural Commercial Bank
Company Limited

Bank of China (Hong Kong) Limited

AUDIT COMMITTEE

Ms. Chan Siu Mat (*Chairman*)

(*appointed at 5 Nov 2025*)

Mr. Yu Chao

Mr. Zong Yi Duo (*appointed at 5 Nov 2025*)

REMUNERATION COMMITTEE

Mr. Yu Chao

Mr. Zong Yi Duo (*appointed at 5 Nov 2025*)

Mr. Tsui Pui Hung (*Chairman*)

NOMINATION COMMITTEE

Mr. Tsui Pui Hung

Mr. Zong Yi Duo (*Chairman*)

(*appointed at 5 Nov 2025*)

Ms. Chan Siu Mat (*appointed at 5 Nov 2025*)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

4th Floor North Cedar House

41 Cedar Avenue

Hamilton HM12

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat A-B, 11/F, Wah Lik Industrial

Centre, 459-469 Castle Peak Road,

Tsuen Wan, Hong Kong

COMPANY WEBSITE

www.keyneltd.com

The board (the “**Board**”) of directors (the “**Directors**”) of KEYNE LTD (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025 with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	4	–	–
Cost of sales		–	(2,328)
Gross profit		–	(2,328)
Other income		–	7,063
Administrative expenses		(5,581)	(11,884)
Selling and marketing expenses		–	–
Gain (loss) on disposal of asset		280,595	–
Operating loss	7	215,014	(7,149)
Finance income	6	–	248
Finance costs	6	(76,969)	(104,451)
Finance costs – net	6	(76,969)	(104,203)
Share of results of associates		–	(555)
Gain/(loss) before income tax		198,045	(111,907)
Income tax expense	8	–	576
Gain/(loss) for the period attributable to owners of the Company		198,045	(111,331)
Gain/(loss) per share	10		
Basic		HK5.55 cents	HK(3.12) cents
Diluted		HK5.55 cents	HK(3.12) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<i>Notes</i>		
Loss for the period attributable to owners of the Company	198,045	(111,331)
Other comprehensive income (expense):		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences arising on translation of foreign operations	(4,906)	29,406
Share of other comprehensive expense of associates accounted for using the equity method	–	(308)
Other comprehensive income (expense) for the period, net of tax	(4,906)	29,098
Total comprehensive expense for the period attributable to owners of the Company	193,139	(82,233)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
ASSETS			
Non-current assets			
Investment properties	11	–	162,283
Total non-current assets		–	162,283
Current assets			
Deposits, prepayments and other receivables		170	436
Tax recoverable		–	–
Cash and cash equivalents		57	95
Total current assets		227	531
LIABILITIES			
Current liabilities			
Other payables, accruals and deposits received		784,589	919,587
Contract liabilities		–	64
Amount due to an associate		8,772	8,772
Borrowings	12	694,214	879,885
Total current liabilities		1,487,575	1,808,308
Net current liabilities		(1,487,348)	(1,807,777)
Total assets less current liabilities		(1,487,348)	(1,645,494)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*(continued)**As at 30 June 2025*

	<i>Notes</i>	30 June 2025 HK\$'000 (unaudited)	31 December 2024 HK\$'000 (audited)
Non-current liabilities			
Deposits received		–	2,576
Borrowings	12	12,865	12,865
Deferred tax liabilities		–	32,417
Total non-current liabilities		12,865	47,858
Net liabilities		(1,500,213)	(1,693,352)
EQUITY			
Deficiency attributable to owners of the Company			
Issued share capital	10	35,688	35,688
Reserves		(1,535,901)	(1,729,040)
Capital deficiency		(1,500,213)	(1,693,352)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Issued share capital HK\$'000	Share premium HK\$'000	Contributed surplus ¹ HK\$'000	Exchange reserve HK\$'000	Special reserve ² HK\$'000	Share options reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 January 2024	35,688	2,174,200	459,047	47,840	17,926	4,362	(468)	(5,011,203)	(2,272,608)
Loss for the period	-	-	-	-	-	-	-	(111,331)	(111,331)
Other comprehensive income	-	-	-	29,406	-	-	(308)	-	29,098
Total comprehensive income for the period	-	-	-	29,406	-	-	(308)	(111,331)	(82,233)
Change in equity for the period	-	-	-	29,406	-	-	(308)	(111,331)	(82,233)
Balance at 30 June 2024 (unaudited)	35,688	2,174,200	459,047	69,253	17,926	4,362	(776)	(5,122,534)	(2,362,834)
Balance at 1 January 2025	35,688	2,174,200	459,047	13,765	17,926	4,362	(1,666)	(4,396,674)	(1,693,352)
Loss for the period	-	-	-	-	-	-	-	198,045	198,045
Other comprehensive income	-	-	-	(4,906)	-	-	-	-	(4,906)
Total comprehensive income for the period	-	-	-	(4,906)	-	-	-	198,045	193,139
Change in equity for the period	-	-	-	(4,906)	-	-	-	198,045	193,139
Balance at 30 June 2025 (unaudited)	35,688	2,174,200	459,047	8,859	17,926	4,362	(1,666)	(4,198,629)	(1,500,213)

¹ Contributed surplus of the Group arose from the Company's capital reorganisation on 6 September 2010 and 24 May 2012.

² Special reserve of the Group mainly represents the sum of the difference between the nominal value of shares of the acquired subsidiaries and the nominal value of the shares of the Company issued for the acquisition at the time of the group reorganisation in 2001 of HK\$10,420,000 and the consideration for the acquisition of additional interests in jointly-controlled entities which became wholly-owned subsidiaries by the substantial shareholder of the Company prior to the group reorganisation of HK\$7,506,000.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Net cash (used in) from operating activities	(1,210)	32,385
Cash flows from investing activities		
(Increase)/Decrease in investment in associate	–	863
Net cash from (used in) investing activities	–	863
Cash flows from financing activities		
Proceeds from borrowings	–	–
Payment of lease liabilities	–	(2,980)
Interest paid on borrowings	–	(1,440)
Net cash used in financing activities	–	(4,420)
Net decrease in cash and cash equivalents	(1,210)	28,828
Cash and cash equivalents at beginning of the period	95	76
Effect of foreign exchange rate changes, net	1,172	(28,808)
Cash and cash equivalents at end of the period	57	96
Analysis of the balance of cash and cash equivalents		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	57	96

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

KEYNE LTD (the “**Company**”) was incorporated in Bermuda on 9 May 2001 as an exempted company with limited liability and its issued shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company’s registered office address is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business in Hong Kong of the Company is located at Flat A-B, 11/F, Wah Lik Industrial Centre, 459-469 Castle Peak Road, Tsuen Wan, Hong Kong.

The Company’s ultimate holding company is KEYNE HOLDINGS LTD (“**KEYNE HOLDINGS**”), a company incorporated in the Cayman Islands.

The Company acts as an investment holding company. The principal activities of the Company and its subsidiaries (collectively, the “**Group**”) consist of rental of property, property and hotel development, and investment in centralized heat supply.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

Suspension of trading in shares of the Company

On 14th August 2023, a judgement was handed down by the Intermediate People’s Court of Xiangtan, Hunan Province of the PRC whereby it was stated that an application of the bankruptcy restructuring (“**Restructuring**”) of the Subsidiary was accepted. Back then, the Company took the view that such a reorganization would not effect the structure and the control rights of the Subsidiary.

On 18 March 2024, the Company published an announcement on the Stock Exchange for the delay of the publication of 2023 Annual Results.

After 4th bankruptcy (九華國際公司第四次債權人會議) meeting held at Aug 2024, however, the Company was advised by the PRC lawyer that the Subsidiary was not longer owned by the Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

2 BASIS OF PREPARATION *(continued)*

Suspension of trading in shares of the Company (continued)

On 4 October 2024, the Company published an announcement on the Stock Exchange for the delay of the publication of 2023 Annual Result and 2024 Interim Result.

On 18 February 2025, the Nanjing Court ordered the transfer of the Chengdu Shopping Mall to ZCCB as settlement of the outstanding debt.

The Group has continued its business, particularly in relation to its property management segment including entering into and negotiating new contracts.

Since the new appointment of Executive Director, together with the Board, have taken steps to stabilize operations of the Group and improve the liquidity of the Group, as well as to develop and implement a restructuring plan of the indebtedness of the Group, including (i) reducing cash outflows through staff redundancy and other cost cutting measures, reducing capital expenditure, and winding down non-core businesses; (ii) discussing with its potential investors and professional advisors to explore and consider various options available to the Company in formulating a viable resumption proposal to satisfy the requirements under the Resumption Guidance and to advance the resumption progress.

The Group will continue to review its existing businesses and its financial position from time to time and is committed to improving the existing business operations to remedy the issues causing its trading suspension and to fully comply with the Listing Rules.

2.1 Going concern basis

As at 30 June 2025, the Group had accumulated losses of HK\$4,198,629,000 (31 December 2024: HK\$4,299,539,000), the Group's current liabilities exceeded its current assets by approximately HK\$1,487,348,000 (31 December 2024: HK\$1,807,777,000) and the Group's net liabilities amounted to approximately 1,500,213,000 (31 December 2024: HK\$1,693,352,000). As at the same date, the Group's total borrowings amounted to HK\$701,079,000 (31 December 2024: HK\$892,750,000), of which current borrowings amounted to HK\$689,185,000 (31 December 2024: HK\$879,885,000), while its cash and cash equivalents amounted to HK\$57,000 (31 December 2024: HK\$95,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

2 BASIS OF PREPARATION *(continued)*

2.1 *Going concern basis (continued)*

These conditions indicate the existence of a material uncertainty that might cast significant doubt about the Group's ability to continue as going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. In view of such circumstances, the directors of the Company have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding borrowings and be able to finance its future working capital and finance requirements.

Certain measures have been and will be taken by the Group to manage its liquidity need and to improve its financial position which include, but are not limited to, the following:

1. The Group has taken measures to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flow operations;
2. The Group consider to dispose of non-core businesses and/or financial assets;
3. The Group consider to acquire or explore new revenue stream in order to improve the profitability of the Group;
4. The Group has been working closely with its legal and financial advisors to formulate a viable restructuring plan aimed at addressing current liquidity constraints, enhancing the credit profile of the Group and protecting the interests of all stakeholders;
5. The Group is actively looking for other sources of financing including any possible from of debt or equity financing to enhance the capital structure and reduce the overall financing expenses.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

3 CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

In the current period, the Group has applied the new standard and amendments and interpretations (the “**new HKFRS Accounting Standards**”) which are effective for the Group’s interim condensed consolidated financial information for the annual period beginning on 1 January 2025. HKFRS Accounting Standards include all applicable individual HKFRS Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The adoption of the following amendments to HKFRS Accounting Standards has no material impact on the Group’s interim condensed consolidated financial information:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability (amendments)

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

4 REVENUE

The Group’s operations and main revenue streams are those described in the interim financial statements for the six months ended 30 June 2025.

In the following table, revenue is disaggregated by timing of revenue recognition.

	Six months ended 30 June	
	2025 HK\$’000 (unaudited)	2024 HK\$’000 (unaudited)
External revenue from contracts with customers by timing of revenue recognition-Point in time	–	–
External revenue from other sources	–	–
Total	–	–

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

5 SEGMENTAL INFORMATION

For management purposes, the Group is organised into three business units – property rental, property and hotel development and centralised heat supply.

These business units are the basis on which the Group reports its segment information. Segment information about the revenue and the results of these business units is presented below.

For the six months ended 30 June 2025 (unaudited)

	Centralised heat supply <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:		
External revenue from contracts with customers by timing of revenue recognition – Point in time	–	–
External revenue from other sources	–	–
Total revenue	–	–
Segment results	–	–
Unallocated corporate expenses		(5,581)
Other incomes		280,595
Finance income		–
Finance costs		(76,969)
Gain (Loss) before income tax		198,045
Income tax expense		–
Gain (Loss) for the period		198,045

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

5 SEGMENTAL INFORMATION *(continued)*

For the six months ended 30 June 2024 (unaudited)

	Property rental <i>HK\$'000</i>	Property and hotel development <i>HK\$'000</i>	Centralised heat supply <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
External revenue from contracts with customers by timing of revenue recognition – Point in time	–	–	–	–
External revenue from other sources	–	–	–	–
Total revenue	–	–	–	–
Segment results	(2,328)	–	–	(2,328)
Unallocated corporate expenses				(12,439)
Other incomes				7,063
Finance income				248
Finance costs				(104,451)
Loss before income tax				(111,907)
Income tax expense				576
Loss for the period				(111,331)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

5 SEGMENTAL INFORMATION *(continued)*

The following table presents segment assets of the Group's reportable segments as at 30 June 2025 and 31 December 2024

As at 30 June 2025 (unaudited)

	Centralised heat supply <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	–	227	227
Investments in associates	–	–	–
Total assets			227

As at 31 December 2024 (audited)

	Property rental <i>HK\$'000</i>	Property and hotel development <i>HK\$'000</i>	Centralised heat supply <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	181,756	32,094	–	16,548	230,398
Investments in associates	–	–	2,022	–	2,022
Total assets					232,420

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

6 FINANCE COSTS – NET

An analysis of finance costs and income is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Finance costs:		
Interest on other borrowings	81,783	104,017
Interest on lease liabilities	–	141
Foreign exchange difference, net	(4,814)	293
	76,969	104,451
Less: amounts capitalised on qualifying assets	–	–
Total finance costs	76,969	104,451
Finance income:		
Interest income from financial assets measured at amortised cost	–	(248)
Total finance income	–	(248)
Finance costs – net	76,969	104,203

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

7 OPERATING LOSS

The Group's operating loss has been arrived at after charging:

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Auditors' remuneration	860	775
Direct operating expense of investment property that generate rental income*	–	2,325
Depreciation – owned assets	4	72
Professional fees	478	2,140

* The cost of properties sold and direct operating expense of investment property that generate rental income for the period are included in “cost of sales” on the condensed consolidated statement of profit and loss.

8 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. The applicable tax rate for the Group's operation in the Mainland China is 25%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Current tax	–	(669)
Deferred tax	–	93
Total tax expense	–	(576)

9 DIVIDENDS

No dividend was paid or proposed during the period, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

10 LOSS PER SHARE

(a) *Basic*

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Gain/(loss) figures are calculated as follows:		
Gain/(loss) for the period attributable to owners of the Company	198,045	(111,331)

	Six months ended 30 June	
Number of shares (in thousand)	2025	2024
Weighted average number of ordinary shares for the purpose of basic loss per share	3,568,791	3,568,791

(b) *Diluted*

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company had zero (2024: zero) category of share options (2024: share options), for the period ended 30 June 2025 and 2024.

For the share options, calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. As the exercise price of the share options granted by the Company was higher than the average annual market price of the Company's shares for the six months ended 30 June 2025 and 2024, the outstanding share options had no dilutive effect on loss per share. Therefore, diluted loss per share for the six months ended 30 June 2025 and 2024 equals basic loss per share.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

11 INVESTMENT PROPERTIES

As at 30 June 2025 the Group's investment properties with a net carrying amount of approximately HK\$Nil (2024: HK\$162,283,000) were pledged to secure borrowings granted to a group.

12 BORROWINGS

	Maturity	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current liabilities			
Bank borrowings – secured <i>(note i)</i>	On demand	–	187,279
Other borrowings – secured <i>(note ii)</i>	December 2022	283,463	283,463
Other borrowings – secured <i>(note iii)</i>	November and December 2020	154,383	152,775
Other borrowings – secured <i>(note iv)</i>	December 2023	–	–
Borrowings from a related party – unsecured <i>(note v)</i>	On demand	239,027	239,027
Borrowings from a related party – unsecured <i>(note vi)</i>	December 2025	3,841	3,841
Borrowings from a related party – unsecured <i>(note vii)</i>	December 2025	13,500	13,500
		694,214	879,885
Non-current liabilities			
Borrowings from a related party – unsecured <i>(note viii)</i>	December 2026	5,485	5,485
Borrowings from a director – unsecured <i>(note ix)</i>	December 2026	7,380	7,380
		12,865	12,865
		707,079	892,750

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

12 BORROWINGS *(continued)*

The Group's borrowings are repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year or on demand	694,214	879,885
Within a period of more than one year but not exceeding two years	12,865	12,865
Within a period of more than two years but not exceeding five years	–	–
	707,079	892,750

Notes:

- (i) At 30 June 2025, the Group's bank borrowings of approximately HK\$Nil (2023: HK\$187,279,000) is repayable on demand (2024: same), were interest bearing at 9.5% per annum and penalty interest at 14.5% per annum (2024: same). At 31 December 2024, principal amount of approximately HK\$187,279,000 were failed to fulfill certain financial covenants, terms and conditions.

At at 31 December 2024, the bank borrowings were secured and guaranteed by:

- (a) the Group's investment properties with a net carrying amount of approximately HK\$Nil (2024: HK\$162,283,000);
- (b) a property owned by Ms. Qian Ling Ling (a director of the Company);
- (c) corporate guarantees executed by Shanghai Jin Da Di, Nanjing Jin Gao Real Estate Company Limited* (南京金高房地產開發有限公司) ("**Nanjian Jin Gao**") and Yangzhou Ya Tai Zhi Ye Company Limited* (揚州亞太置業有限公司) ("**Yangzhou Ya Tai**"). The controlling shareholder of these companies is Mr. Zhu Boheng (the controlling shareholder of the Company);
- (d) personal guarantees executed by Ms. Qian Ling Ling (a director of the Company), Mr. Peter Zhu (the spouse of Ms. Qian Ling Ling) and Mr. Zhu Boheng (the controlling shareholder of the Company); and
- (e) a corporate guarantee executed by the Company.

On 18 February 2025, the Company received a civil execution from Immediate People's Court of Nanjing City, JiangSu Province ("the **Nanjing Court**") about the transfer of the commercial properties under the location: No.19 YongLing Road, Jinniu District, Cheng Du Providence to Zhejiang Chouzhou Commercial Bank Co. Ltd ("**ChouZhou Bank**"). Such transfer of commercial properties aimed for the debt settlement of the remaining loan issued by the ChouZhou Bank. ChengDu Zhongfa Yellow River Co. Ltd does not have further control of the commercial properties.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

12 BORROWINGS *(continued)*

Notes: (continued)

- (ii) At 30 June 2025, the Group's other borrowings of approximately HK\$283,463,000 (2023: HK\$283,463,000) were interest bearing at 9% per annum and penalty interest at 9% per annum (2023: same) and repayable by installments from March 2022 to December 2022 (2023: repayable by installments from March 2022 to December 2022). At 31 December 2024, principal amount of HK\$283,463,000 (2023: HK\$283,463,000) were overdue.

At 30 June 2025 and 31 December 2024, the other borrowings were secured and guaranteed by:

- (a) equity interests in subsidiaries of the Group under Brilliant Field Corporation Limited and Profit Source International Limited;
- (b) first fixed charge over 2,010,501,197 shares (2024: 2,010,501,197 shares) of the Company owned by KEYNE HOLDINGS, the substantial shareholder of the Company. The controlling shareholder of this company is Mr. Zhu Boheng (the controlling shareholder of the Company);
- (c) a fixed charge over a bank account;
- (d) corporate guarantees executed by related companies, Ever Harmony Enterprises Limited, Yangzhou Ya Tai and Nanjing Jin Gao. The ultimate controlling shareholder of these companies is Mr. Zhu Boheng (the controlling shareholder of the Company); and
- (e) personal guarantees executed by Ms. Qian Ling Ling (a director of the Company), Mr. Peter Zhu (the spouse of Ms. Qian Ling Ling) and Mr. Zhu Boheng (the controlling shareholder of the Company).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

12 **BORROWINGS** *(continued)*

Notes: (continued)

- (iii) At 30 June 2025, the Group's other borrowings from a financial institution of approximately HK\$154,384,135 (2024: HK\$152,774,661) were secured and guaranteed, interest bearing at bank best lending rate and penalty interest bearing at 22.5% (2024: 22.5%) and were repayable in November and December 2020 (2024: repayable in November and December 2020). At 30 June 2025, principal amount of approximately HK\$154,384,135 (2024: HK\$152,774,661) were overdue.

At 30 June 2025 and 31 December 2024, the other borrowings were secured and guaranteed by:

- (a) personal guarantees executed by Mr. Zhu Boheng (the controlling shareholder of the Company), Ms. Qian Ling Ling (a director of the Company) and Mr. Peter Zhu (the spouse of Ms. Qian Ling Ling);
- (b) corporate guarantees executed by Shanghai Jin Da Di and Shanghai Xin Rong Properties Development Limited* (上海新融置業發展有限公司). The controlling shareholder of these companies is Mr. Zhu Boheng (the controlling shareholder of the Company);
- (c) a share charge over the equity interest in Ever-Grand Development Limited (“**Ever-Grand**”); and
- (d) certain properties for sale or under development owned by related parties, Shanghai Hua Hu Yin Nian Investment Partnership Corporation (Limited Partnership)* (上海華滬銀年投資合夥企業(有限合夥)), the ultimate controlling shareholder of this company is Mr. Peter Zhu (the spouse of Ms. Qian Ling Ling), and Gaoyou Jin Ao Real Estate Development Company Limited* (高郵金奧房地產開發有限公司), the ultimate controlling shareholder of this company is Mr. Zhu Boheng (the controlling shareholder of the Company).

* *For identification purpose only*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

12 BORROWINGS *(continued)*

Notes: (continued)

- (iv) At 30 June 2025, the Group's other borrowings from a financial institution of HK\$nil (2024: approximately HK\$Nil) in total with extended maturity date in December 2024, were interest bearing at 12% per annum (2024: same) and will be repayable by installments.

At 31 December 2023, the other borrowings were secured and guaranteed by:

- (a) certain properties under development, with a net carrying amount of approximately HK\$nil;
 - (b) corporate guarantees executed by related companies, Yangzhou Ya Tai and Shanghai Jin Da Di. The ultimate controlling shareholder of these companies is Mr. Zhu Boheng (the controlling shareholder of the Company);
 - (c) personal guarantees executed by Ms. Qian Ling Ling (a director of the Company), Mr. Peter Zhu (the spouse of Ms. Qian Ling Ling) and Mr. Zhu Boheng (the controlling shareholder of the Company); and
 - (d) the Group's leasehold lands (second priority charge) and construction in progress (second priority charge) with a net carrying amount of HK\$nil and HK\$nil respectively.
- (v) At 30 June 2025 and 31 December 2024, the Group's borrowings from related parties were interest-free, unsecured and repayable on demand.
- (vi) At 30 June 2025 and 31 December 2024, the Group's borrowings from a related party were interest-free, unsecured and repayable on or before 31 December 2025 (2024: 31 December 2024).
- (vii) At 30 June 2025 and 31 December 2024, the Group's borrowings from a related party were interest bearing at 5% per annum (2023: 5% per annum), unsecured and repayable in 2026 (2024: 2026).
- (viii) At 30 June 2025 and 31 December 2024, the Group's borrowings from a related party were repayable in December 2025 (2023: December 2024), unsecured and interest-free, and was assigned from a former shareholder, executed by a deed of loan assignment.
- (ix) At 30 June 2025 and 31 December 2024, the Group's borrowings from a director were interest bearing at 5% per annum, unsecured and repayable by installments in 2026 (2024: 2026).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

13 SHARE-BASED PAYMENT

Share options are granted to Directors, employees and certain eligible persons. The options are exercisable in ten years starting from the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash. All the outstanding options were exercisable as at 30 June 2025. The fair value of options granted was determined using the binomial valuation model. The significant inputs into the model were stated as follows:

Grant date	23 January 2018	29 March 2018
Share price at date of grant	0.345	0.285
Exercise price	0.362	0.292
Number of options granted		
– Directors	24,711,625	–
– employees and eligible persons	74,134,875	49,423,250
Risk free rate	2.021%	1.902%
Expected dividend yield	Nil	Nil
Expected volatility	85.64%	85.32%
Post-vesting exit rate	3.36%	3.36%
Expected exercise multiple		
– Directors	2.80x	–
– employees and eligible persons	2.20x	2.20x
Fair value per option		
– Directors	0.211	N/A
– employees and eligible persons	0.176	0.148

There were no options granted or exercised during the six months ended 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

14 DECONSOLIDATION OF A SUBSIDIARY

On 18 February 2025, the Company received a civil execution from Immediate People's Court of Nanjing City, JiangSu Province ("**the Nanjing Court**") about the transfer of the commercial properties under the location: No.19 YongLing Road, Jinniu District, Cheng Du to Zhejiang Chouzhou Commercial Bank Co. Ltd ("**ChouZhou Bank**"). Such transfer of commercial properties aimed for the debt settlement of the remaining loan with amount RMB170,060,160 issued by the ChouZhou Bank.

Due to Chengdu Zhongfa's failure to fulfill obligations under the court judgment, Chengdu Zhongfa does not have further control of the commercial properties which is the major asset before.

	<i>HK\$'000</i>
Investment properties	(162,309)
Prepayment, deposits and other receivables	2,338
Bank balances and cash	(38)
Trade and other payables	237,337
Contract liabilities	65
Borrowings	170,785
Deferred taxes	32,417
	<hr/>
Net liabilities at disposal	280,595
	<hr/>
Gain on dispose of asset	280,595
	<hr/> <hr/>

An analysis of the net outflow of cash and cash equivalents in respect of the deconsolidation of the PRC Subsidiary are as follows:

	<i>HK\$'000</i>
Bank balance and cash	(38)
	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

15 CONTINGENT LIABILITIES

(i) *Provision of contingent withholding EIT*

According to Tax Circular 698 and Public Notice [2015] No. 7 (“**Public Notice 7**”) of the State Administration of Taxation (the “**SAT**”), the Group’s acquisition of 49% equity interest in Ever-Grand Development Limited (“**Ever-Grand**”) during the year ended 31 December 2016 had led to an indirect acquisition of subsidiaries of Ever-Grand in the PRC, including 東莞市德晉能源科技有限公司 (Dongguan City Dejin Energy Technology Company Limited) and 東莞市德晉熱力有限公司 (Dongguan City Dejin Thermal Power Company Limited). Such arrangement shall be re-characterised as a direct transfer by the PRC tax authorities and the capital gain derived will be subject to EIT. The Group should act as EIT withholding agent and report the indirect equity transfer (and settle the EIT, if applicable) to the PRC tax authorities within 30 days after the equity transfer agreement is concluded.

In case the Group fails to fulfill its withholding obligation and the Vendor has not paid the EIT, the PRC tax authorities would demand the Vendor for the payment of EIT and impose penalty of 50% to 3 times of the unpaid EIT on the Group. The penalty may be relieved if the indirect transfer has been voluntarily reported to the PRC tax authorities by the Group.

The Company has already held back a sum of HK\$60,000,000 payable to the Vendor to serve as withholding EIT and further made an EIT provision of HK\$28,200,000, but has not yet reported the transaction or paid EIT to the PRC tax authorities. After consulting PRC legal counsel, the Directors are of the opinion that the Group has already substantially fulfilled the withholding obligation, thereby containing the risk of penalty to reasonably low level.

According to sale and purchase agreement dated 16 November 2015 entered into among the Company, the Vendor and the Guarantors, namely Guarantor C and Guarantor L, the Vendor is responsible for the filing and the settlement of the EIT arising from the indirect equity transfer in accordance to the relevant PRC tax laws and regulations. The Vendor shall compensate the Company in case the Vendor fails to report and payment of the EIT on the indirect equity transfer. In addition, such arrangement was further formally executed through a deed of tax indemnity entered into among the Company, the Vendor and the Guarantors on 30 March 2016. Therefore, the Directors believe the Vendor, who still own 51% equity interest in Ever-Grand, would voluntarily report and pay the EIT to the PRC tax authorities, as well as compensating the Group for any penalty to be imposed to the Group, if any. The Directors do not consider it is probable that a claim will be made against the Group regarding the penalty mentioned above.

On 22 July 2022, the Vendor has transferred HK\$60,000,000 payable to a third party Vendor, while terms and conditions are same as before.

At 31 December 2023, the Company and the third party vendor/Vendor have mutually agreed in writing to further extend the settlement period of the held back sum of HK\$60,000,000 in cash on or before 31 December 2024 by one single or multiple payment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

15 CONTINGENT LIABILITIES *(continued)*

(ii) Pending litigation

- (a) During the year ended 31 December 2022, the court ordered Chengdu Zhongfa for the repayment to Zhejiang Chouzhou Commercial Bank Co., Ltd (Nanjing Branch) (“**ZCCB**”) all outstanding loan principal, accrued interests, default interests and compound interests up to the date of repayment in respect of the loan agreement dated 17 November 2020 and the settlement agreement dated 17 December 2021 entered into between Chengdu Zhongfa as borrower and ZCCB as lender (collectively, the “**ZCCB Loan Agreements**”) for the loan principal of RMB250,000,000 (the “**ZCCB Loan**”), on the basis of the Company’s alleged joint and several liability to the ZCCB Loan under the guarantee agreement dated 17 November 2020 entered into between the Company as guarantor and ZCCB as lender in respect of the ZCCB Loan; On 22 February 2023, Chengdu Zhongfa has received a court notice and enforcement judgement. Pursuant to the court notice and enforcement judgement, Chengdu Zhongfa failed to perform their obligations under the judgement, the Nanjing Court has ruled to a forced sale of Chengdu Zhongfa’s real estate located at No. 19 Yongling Road, Jinniu District, Chengdu City, Sichuan Province by way of auction through the website of Taobao. Up to the date of this report, the litigation is still in progress.

Except as above, the Group has no material contingent liabilities as at 30 June 2025 and 31 December 2024.

16 APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 24 November 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(continued)*

17 EVENTS AFTER REPORTING PERIOD

- (a) On 16 September 2025, the Company became aware of a civil complaint filed by China Huarong Asset Management Co., Ltd. (now known as China CITIC Financial Asset Management Co., Ltd.) (“**China Huarong**”), at the Shenzhen Intermediate People’s Court. This legal action concerns a debt (including outstanding loan principal, accrued interests and default interests) owed by the Company to China Huarong International Holdings Limited (now known as China CITIC Financial AMC International Holdings Limited) (“**CHIH**”), being a subsidiary of China Huarong, under the facility agreement and other supplemental and incidental agreements entered thereunder. In the complaint, the defendants include certain subsidiaries of the Company, namely Brilliant Field Corporation Limited, and Profit Source International Limited as well as Keyne Holdings Ltd, Ms. Qian Ling Ling, Mr. Peter Zhu, Mr. Zhu Boheng and Huaian Jinrun Real Estate Co., Ltd.* (淮安金潤置業有限公司).

- (b) On 9 October 2025, the Listing Committee of the Stock Exchange (the “**Listing Committee**”) has decided to cancel the Company’s listing under Rule 6.01A(1) of the Listing Rules as the Company had not fulfilled the Resumption Guidance (the “**Decision**”). Under Chapter 2B of the Listing Rules, the Company has the right to have the Decision referred to the Listing Review Committee of the Stock Exchange (the “**Listing Review Committee**”) for review. On 21 October 2025, the Company submitted an application requesting the Decision be referred to the Listing Review Committee for review pursuant to requirements under Chapter 2B of the Listing Rules. The Company hereby reminds the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the outcome of the Review is uncertain. Shareholders who have any queries about the implications of the cancellation of listing of the Company’s shares are advised to seek appropriate professional advice. Further announcement(s) will be made by the Company in respect thereof as and when appropriate and in accordance with the requirements of the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2025, China's real estate industry was characterized by a mix of policy support and market transformation. Focusing on sustaining efforts in promoting stabilization of the real estate market from decline and accelerating the building of a new development model for the sector, regulatory authorities continued to promote coordinated efforts on both the supply and demand sides. While market sentiment showed marginal improvement, it will take time for resumption of confidence. The recovery in the sales side has exhibited structural and regional characteristics.

During this period of in-depth industry adjustment, the Group adheres to streamline its operations and focus resources of the Group on the development of five high-quality projects. Moreover, the Group will strengthen operational capabilities and profitability of assets, enhance the market value of properties, and increase asset efficiency and further consolidate its industry position.

During the first half of 2025, the Group focus on (i) newly started up property management services, and (ii) investment in centralised heat supply business.

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2025, the Group recorded a gain attributable to owners of the Company was approximately HK\$198,045,000 (2024: loss attributable to owners HK\$134,287,000). Basic gain per share was approximately HK5.55 cents (2024: loss per share HK3.12 cents). The Board does not recommend dividend payout for the six months ended 30 June 2025 (2024: Nil). As at 30 June 2025, cash and cash equivalents were approximately HK\$57,000 (31 December 2024: HK\$96,000).

BUSINESS REVIEW

(i) *PRC Property Management*

We success to build up an agreement with five properties for direct properties management, and forms an in-direct properties management with seven properties. The newly formed properties management will start up to operate at August 2025 with expected revenue of RMB1.52mil and expected the accumulated revenue achieved about RMB14.9 mil.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

BUSINESS REVIEW *(continued)*

(ii) **Centralised Heat Supply Business**

Due to its advantage of greater energy efficiency, centralised heat supply was enthusiastically promoted by the PRC Government. According to 《關於推進我省工業園區和產業集聚區集中供熱的意見》(the “**Opinion Relating to Promoting Centralised Heat Supply for Industrial Parks and Zones in Guangdong Province**”*) published by the National Development and Reform Commission of the Guangdong Provincial Government in December 2013, the Guangdong Provincial Government is actively promoting the development of centralised heat supplies in industrial parks and zones.

Ever-Grand Development Limited holds 80% equity interests in Dongguan City Dejin Energy Technology Company Limited and Dongguan City Dejin Thermal Power Company Limited (together “**Dejin**”), which are engaged in an energy-saving environmental protection project through the provision of steam and heat produced at a power plant in Dongguan City to industrial customers in certain areas of Humen and Changan in Dongguan City, Guangdong Province.

On 30 March 2016, the transaction was completed and the Group officially began its operations in the centralised heat supply business.

As of 30 June 2025, the Group is supplying steam to around 12 (2024: 14) active customers in Humen Town through steam transmission pipelines of approximately 4.6km (2024: 4.6km). During the reporting period, the centralised heat supply business, generating revenue of approximately HK\$7,800,000 (2024: HK\$13,060,000) to Ever-Grand, representing an increase in revenue as compared with the last reporting period. In the ChangAn town, as a result of the continuous delay of the pipeline deployment plan rolled out in ChangAn town, coupled with the sustained delay of the public release from the local and central government of the Changan Binhai New Area’s “Guangdong, Hong Kong, and Macau Greater Bay Area Development Plan Outline” and the Dawan District Plan, the business plan of the ChangAn town was further delayed and suspended with uncertainties.

FINANCING ACTIVITIES AND PENDING LITIGATION

Jiuhua Dong Fang and Jiuhua International have also received, among others court documents, a writ of summons and civil complaint from the People’s Court of Yuhu District, Xiangtan City, Hunan Province* (湖南省湘潭市雨湖區人民法院) (the “**Xiangtan Court**”). This legal action concerns a debt (including outstanding loan principal, accrued interests, default interests and compound interest) with original loan principal of RMB250 million (“**ICBC Loans**”), which Jiuhua Dong Fang owes to Industrial and Commercial Bank of China Limited (Xiangtan Xiangjiang Branch)* (中國工商銀行股份有限公司湘潭湘江支行) (“**ICBC**”) and where Jiuhua International and Ms. Qian Ling Ling serve as a guarantor.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCING ACTIVITIES AND PENDING LITIGATION *(continued)*

Chengdu Zhongfa received a civil judgment from the Nanjing Jianye District People's Court* (南京市建邺区人民法院) (the “**Nanjing Court**”). Due to Chengdu Zhongfa's failure to fulfill obligations under the court judgment, the court ordered a forced sale of real estate located at No. 19 Yongling Road in Chengdu, being a shopping mall (the “**Chengdu Shopping Mall**”) and a major asset of Chengdu Zhongfa, by way of auction.

The Group is proactively seeking new business opportunities in the market. In August 2025, it entered into a memorandum of understanding with the owners' association of a residential property project in Shanghai. This property, developed by an independent local developer in 1997, has a total gross floor area of approximately 92,024 sq.m. under management, including 200 parking spaces. The estimated annual management fee is approximately HK\$10.1 million. Should the negotiations progress successfully, the Group expects to formalise the agreement by December 2025 and commenced the project in January 2026. Once finalized, the Property Management Segment's annual revenue is expected to increase to approximately HK\$86.6 million.

EVENTS AFTER THE REPORTING PERIOD

On 16 September 2025, the Company became aware of a civil complaint filed by China Huarong, at the Shenzhen Intermediate People's Court. This legal action concerns a debt (including outstanding loan principal, accrued interests and default interests) owed by the Company to CHIH, being a subsidiary of China Huarong, under the facility agreement and other supplemental and incidental agreements entered thereunder. In the complaint, the defendants include certain subsidiaries of the Company, namely Brilliant Field Corporation Limited, and Profit Source International Limited as well as Keyne Holdings Ltd, Ms. Qian Ling Ling, Mr. Peter Zhu, Mr. Zhu Boheng and Huaian Jinrun Real Estate Co., Ltd.* (淮安金潤置業有限公司).

On 9 October 2025, the Listing Committee of the Stock Exchange (the “**Listing Committee**”) has decided to cancel the Company's listing under Rule 6.01A(1) of the Listing Rules as the Company had not fulfilled the Resumption Guidance (the “**Decision**”). Under Chapter 2B of the Listing Rules, the Company has the right to have the Decision referred to the Listing Review Committee of the Stock Exchange (the “**Listing Review Committee**”) for review. On 21 October 2025, the Company submitted an application requesting the Decision be referred to the Listing Review Committee for review pursuant to requirements under Chapter 2B of the Listing Rules. The Company hereby reminds the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that the outcome of the Review is uncertain. Shareholders who have any queries about the implications of the cancellation of listing of the Company's shares are advised to seek appropriate professional advice. Further announcement(s) will be made by the Company in respect thereof as and when appropriate and in accordance with the requirements of the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

PROSPECTS

Heading into FY2025, the Group expects the market to remain volatile and unpredictable. The lingering effect of geopolitical events and tension, the low short-term economic visibility, as well as the expectation of sustained high interest rates, are all likely to post sustained impact on existing Xiangtan Project. Such situation may hinder property leasing decision and investment appetite.

On 18 February 2025, the Company received a civil execution from Immediate People's Court of Nanjing City, JiangSu Province ("**the Nanjing Court**") about the transfer of the commercial properties under the location: No.19 YongLing Road, Jinniu District, Cheng Du Providence to Zhejiang Chouzhou Commercial Bank Co. Ltd ("**ChouZhou Bank**"). Such transfer of commercial properties aimed for the debt settlement of the remaining loan issued by the ChouZhou Bank. ChengDu Zhongfa Yellow River Co. Ltd does not have further control of the commercial properties.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financing and treasury activities are centrally managed and controlled at the corporate level. The Group's overall treasury and funding policies focus on managing financial risks including interest rate and foreign exchange risks; and cost efficient funding of the Company and its subsidiaries.

As at 30 June 2025, the Group's net current liabilities were approximately HK\$1,487,575,000 (31 December 2024: HK\$1,807,777,000), with current assets of approximately HK\$227,000 (31 December 2024: HK\$531,000) and current liabilities of approximately HK1,487,348,000 (31 December 2024: HK\$1,808,308,000), representing a current ratio of approximately 0.47 (31 December 2023: 0.64). As at 30 June 2025, the Group had cash and cash equivalents of approximately HK57,000 (31 December 2024: HK\$96,000).

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

CAPITAL STRUCTURE

As at 30 June 2025, the Group's total capital deficiency amounted to approximately HK\$1,500,213,000 (Total capital for 31 December 2024: HK\$1,693,352,000).

BORROWING AND BANKING FACILITIES AND CHARGE ON GROUP ASSETS

As at 30 June 2025, the Group's outstanding borrowings were approximately HK\$707,079 (2024: HK\$892,750,000).

The Group's borrowings from a former shareholder of approximately of HK\$13,500,000 was assigned to a related party upon the execution of a deed of assignment, were unsecured. The Group's borrowings from a Director of approximately HK\$7,380,000 (2024: HK\$7,380,000) were unsecured.

The Group's other borrowings of approximately HK\$154,383,000 (2024: HK\$154,383,000) were secured by share charge over the equity interest in Ever-Grand and certain properties for sales or under development executed by certain related parties. The Group's other borrowings of approximately of HK\$239,027,000 (2023: HK\$239,027,000) were secured by share charges given by KEYNE HOLDINGS LTD, the controlling shareholder of the Company and certain related parties, and equity pledges given by certain subsidiaries of the Company.

The gearing ratio based on borrowings over total equity as at 30 June 2025 was approximately 0.47 (2024: 0.53).

GOING CONCERN AND MITIGATION MEASURES

The Group had accumulated losses of HK\$4,198,629,000 at 30 June 2025 and net cash outflows from operating activities of HK\$1,210,000 for the six months ended 30 June 2025. As at the same date, the Group's total borrowings amounted to HK\$707,079,000, of which current borrowings amounted to HK\$694,214,000, while its cash and cash equivalents amounted to HK\$57,000. These conditions, together with other matters described in note 2.1 to the condensed consolidated interim financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

These conditions indicate the existence of a material uncertainty that might cast significant doubt about the Group's ability to continue as going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. In view of such circumstances, the directors of the Company have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding borrowings and be able to finance its future working capital and finance requirements.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

GOING CONCERN AND MITIGATION MEASURES *(continued)*

Certain measures have been and will be taken by the Group to manage its liquidity need and to improve its financial position which include, but are not limited to, the following:

1. The Group has taken measures to tighten cost controls over production costs and expenses with the aim of attaining profitable and positive cash flow operations;
2. The Group consider to dispose of non-core businesses and/or financial assets;
3. The Group consider to acquire or explore new revenue stream in order to improve the profitability of the Group;
4. The Group has been working closely with its legal and financial advisors to formulate a viable restructuring plan aimed at addressing current liquidity constraints, enhancing the credit profile of the Group and protecting the interests of all stakeholders;
5. The Group is actively looking for other sources of financing including any possible form of debt or equity financing to enhance the capital structure and reduce the overall financing expenses.

EXPOSURE TO FOREIGN EXCHANGE

The Group's assets and liabilities are mainly denominated in Hong Kong Dollars, United States Dollars and Renminbi. Income and expenses derived from the operations in the PRC were mainly denominated in Renminbi. There is no significant exposure to the fluctuation of foreign exchange rate, however, the Group will closely monitor the market and make appropriate adjustments and measures when necessary.

CONTINGENT LIABILITIES

Save for those disclosed in the condensed consolidated interim financial statements, there were no contingent liabilities that the Group is aware of.

EMPLOYEES AND REMUNERATION POLICIES

Staff costs for the period ended 30 June 2025 was approximately HK\$127,000 (2024: HK\$3,364,000). The Group had a workforce of 2 (2024: 4). Salaries of employees were maintained at competitive levels while bonuses were granted on a discretionary basis.

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the existing shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which are required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company or which are required to be notified the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules, were as follows:

Long positions

Ordinary shares of HK\$0.01 each of the Company

Name of Director	Capacity	Number of ordinary shares held	Approximate percentage of the issued share capital of the Company
			(Note 2)
Mr. Zhang Li	Beneficial owner	14,655,625 (L)	0.41%(L)

Notes:

1. The letter “L” denotes the person’s long position in such shares.
2. The percentage is calculated on the basis of 3,568,790,629 shares in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company have any interests or short positions in the existing shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which are required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company or which are required pursuant to the Model Code contained in the Listing Rules to be notified to the Company and the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)***DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION** *(continued)**Long positions (continued)***DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the period was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SHARE OPTIONS

The Company adopted a share option scheme (the “**Scheme**”) on 2 September 2013. The purpose of the Scheme is to attract and retain talented personnel for future development of the Group; to provide incentive to encourage eligible participants (the “**Eligible Participants**”) to perform their best in achieving the goals of the Group and allow the Participants to enjoy the results of the Group attained through their efforts and contributions.

The Eligible Participants of the Scheme are (i) any employee or officer (whether full time or part time, and including any executive director) of any member of the Group; (ii) or any non-executive director (including independent non-executive director) of any member of the Group; (iii) any supplier of goods or services to any member of the Group; (iv) any customer of any member of the Group; (v) any holder of any securities or securities convertible into any securities issued by any member of the Group; (vi) any person or entity that provides advisory, consultancy or professional services to any member of the Group or any director or employee of any such entity; and (vii) any other group or classes of participants from time to time determined by the Directors as having contributed to the development and growth of the Group.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

SHARE OPTIONS *(continued)*

Details of the share options granted under the Scheme to the Eligible Participants of the Company to subscribe for the shares in the Company are as follows:

	Date of grant	Exercisable period	Exercise price per share HK\$	Number of share options				Outstanding as at 30.06.2023	Approximate percentage of the issued capital of the Company %(4)
				Outstanding as a 01.01.2023	Granted during the review period	Exercised during the review period	Cancelled/ Lapsed during the review period		
Employees	23.01.2018	23.01.2018 to 22.01.2028	0.362	24,711,625 ⁽¹⁾	-	-	-	24,711,625	0.69
				24,711,625	-	-	-	24,711,625	0.69

Notes:

- (1) The closing price of the Company's shares immediately before the date on which the share options were granted was HK\$0.355.
- (2) The total number of the Company's share available for issue under the Scheme was 98,846,500 which represented approximately 2.77% of the issued share capital of the Company as at the date of this report.
- (3) There is no minimum period for which the share options must be held before the share options can be exercised unless otherwise determined by the Board.
- (4) As at 30 June 2025, the number of issued shares of the Company, which is 3,568,790,629 shares, has been used for the calculation of approximate percentage shareholding in the Company.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, the register of substantial shareholders and other person's maintained by the Company under Section 336 of the SFO showed that the following persons notified the Company of the relevant interests in the issued share capital of the Company:

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)***SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY** *(continued)***Long positions***Ordinary shares of HK\$0.01 each of the Company*

Name of Shareholder	Capacity	Number of ordinary shares held/Number of underlying shares held under equity interest	Approximate percentage of the issued share capital of the Company (Note 8)
Zhu Boheng (Note 1)	Interest of controlled corporation	2,073,549,197(L)	58.10%(L)
KEYNE HOLDINGS LTD (Note 1)	Beneficial owner	2,073,549,197(L)	58.10%(L)
Cheng Ngok Fai (Note 2)	Interest of controlled corporation	205,175,000(L)	5.75%(L)
Connected-World Group Limited (Note 2)	Beneficial owner	205,175,000(L)	5.75%(L)
Jovial Paradise Limited ("JP") (Notes 3, 4, 5 & 6)	Person having a security interest in shares	173,121,000(L)	4.85%(L)
	Beneficial owner	70,796,663(L)	1.98%(L)
	Interest of controlled corporation	2,073,549,197(L)	58.10%(L)
Unicorn Star Properties Limited ("USP") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Soaring Sky Worldwide Limited ("SSW") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
InfraRed NF China Real Estate Fund III L.P. ("INFCREF") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
InfraRed NF China Investors III Limited ("INFCI") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
InfraRed Partners LLP ("IP") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Charles II Realisation LLP ("CIIR") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Vervain Consolidated Investments Limited ("VCI") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Vervain China Development Holdings Limited ("VCDH") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Vervain Enterprises Limited ("VE") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Crosby Investment Holdings Inc. ("CIH") (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Chen Wai Wai Vivien (Note 4)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Firewave Management Limited ("FM") (Note 5)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Crown Investments Limited ("CI") (Note 5)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Metro China Holdings Pte Ltd ("MCH") (Note 5)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Metro Holdings Limited ("MH") (Note 5)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Ong Jenn (Wang Zhen) (Note 5)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
Ong Sek Hian (Wang Shixian) (Note 5)	Interest of controlled corporation	2,317,466,860(L)	64.94%(L)
China Huarong International Holdings Limited ("CHIH") (Note 6)	Person having a security interest in shares	2,010,501,197(L)	56.34%(L)
Huarong Real Estate Co., Ltd ("HREC") (Note 6)	Interest of controlled corporation	2,010,501,197(L)	56.34%(L)
中國華融資產管理股份有限公司 (Note 6)	Interest of controlled corporation	2,010,501,197(L)	56.34%(L)

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)***SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY** *(continued)***Long positions** *(continued)*

Ordinary shares of HK\$0.01 each of the Company *(continued)*

Notes:

1. Mr. Zhu Boheng, being the sole shareholder of KEYNE HOLDINGS LTD (“**KEYNE HOLDINGS**”), is deemed to be interested in the shares in which KEYNE HOLDINGS is interested.
2. Mr. Cheng Ngok Fai, being the sole shareholder of Connected-World Group Limited (“**Connected-World**”), is deemed to be interested in the shares in which Connected-World is interested.
3. Based on the forms of disclosure in interest filed by JP dated 4 January 2021, JP beneficially owns 70,796,663 shares and is interested in 173,121,000 shares in the capacity of being a person having a security interest in these shares and is deemed to be interested in 2,073,549,197 shares in which KEYNE HOLDINGS is interested.
4. Based on the form of disclosure of interest filed by (a) Chen Wai Wai Vivien dated 4 January 2021 and IP dated 4 January 2021, (i) JP is owned as to 56.23% by USP, which, in turn, is owned as to 78.26% by SSW; (ii) SSW is wholly-owned by INFCREF, which is managed by INFCI as its general partner; (iii) INFCI is wholly-owned by INFCH, which, in turn, is owned as to 50% by IP and 50% by VCI; (iv) the substantial shareholder or directors of IP are accustomed to act in accordance with the directors of CIIR; (v) VCI is wholly-owned by VCDH, which, in turn, is wholly owned by VE; and (vi) VE is wholly-owned by CIH, which, in turn, is wholly-owned by Chen Wai Wai Vivien. Therefore, each of USP, SSW, INFCREF, INFCI, INFCH, IP, CIIR, VCI, VCDH, VE, CIH and Chen Wai Wai Vivien is interested in the shares in which JP is interested under the SFO.
5. Based on the forms of disclosure of interest filed by (a) Ong Jenn (Wang Zhen) dated 4 January 2021 and Ong Sek Hian (Wang Shixian) dated 4 January 2021, (i) JP is owned as to 43.77% by FM, which, in turn, is wholly-owned by CI; (ii) CI is wholly-owned by MCH, which, in turn, is wholly-owned by MH; and (iii) MH is owned as to 35.4% by Ong Jen (Wang Zhen) and 35.4% by Ong Sek Hian (Wang Shixian). Therefore, each of FM, CI, MCH, MH, Ong Jenn (Wang Zhen) and Ong Sek Hian (Wang Shixian) is interested in the shares in which JP is interested under the SFO.
6. Based on the form of disclosure of interest filed by 中國華融資產管理股份有限公司 (transliterated in English as China Huarong Asset Management Company Limited, “**CHAMC**”) dated 6 December 2018, CHIH is owned as to approximately 88.10% by HREC, which, in turn, is wholly-owned by CHAMC. Each of CHAMC and HREC is therefore deemed to be interested in the shares in which CHIH is interested under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY *(continued)*

Long positions *(continued)*

Ordinary shares of HK\$0.01 each of the Company (continued)

Notes: (continued)

7. These percentages are calculated on the basis of 3,568,790,629 shares in issue as of 30 June 2024.
8. The letter “L” denotes the person’s long position in such shares and the underlying shares.

Save as disclosed above, as at 30 June 2025, the Company has not been notified of any other interests or short positions in the shares or underlying shares of the Company that were recorded in the register required to be kept under section 336 of the SFO.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standards on dealings under Appendix C3 of the Listing Rules to govern the securities transactions by the directors. All of the directors have confirmed that they had observed and complied with the required standards during the six months ended 30 June 2025.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining a high standard of corporate governance and has complied with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules during the six months ended 30 June 2025 except that the office of its chairperson and chief executive officer are vacated and their duties were assumed by the executive director. The Board will review the current structure of the Board from time to time and will continue to identify an appropriate candidate.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

AUDIT COMMITTEE

The audit committee of the Board has been established with written terms of reference in compliance with the Listing Rules. Its primary duties include reviewing the annual and interim financial reports of the Company and providing advice and recommendations relating to the engagement and renewal of external auditors, financial reporting procedures, internal control and risk management to the Board. The audit committee comprises all three independent non-executive directors.

The unaudited interim results for the six months ended 30 June 2025 has not been audited by the Company's auditors but has been reviewed by the audit committee, which was of the opinion that its preparation is complied with the applicable accounting standards and the Listing Rules and that adequate disclosure has been made.

FULFILMENT OF ADDITIONAL RESUMPTION GUIDANCE AND COMPLIANCE WITH REQUIREMENTS OF LISTING RULES

On 5 November 2025, the Group is pleased to build up the group of INED:

- (a) Mr. Zong Yi Duo (宗一多) has been appointed as an independent non-executive Director, a member of the remuneration committee, the chairman of the nomination committee and a member of the audit committee of the Company.
- (b) Ms. Chan Siu Mat (陳小密) has been appointed as an independent non-executive Director, a member of the remuneration committee, a member of the nomination committee and the chairman of the audit committee of the Company.

Immediately the appointment of Mr. Zong and Ms. Chan as an INED with effect from 1 November 2025, the Board comprises six members, including three INEDs which has fulfilled the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) Rule 3.10A, 3.10(2).

Accordingly, the Company has fulfilled the minimum number of INEDs required by Rule 3.10(1) of the Listing Rules. Immediately following the appointment of Ms. Chan as chairman of the Audit Committee with effect from 1 November 2025, which fulfilled the minimum number of members of the Audit Committee under Rule 3.21 of Listing Rules. There is a member of the Audit Committee possesses appropriate professional qualifications or accounting or related financial management expertise, it also fulfills Rule 3.10(2) of the Listing Rules. The Company has complied with the requirement of the minimum number of the Audit Committee, Remuneration Committee and Nomination Committee members as prescribed in Rule 3.21, 3.25, 3.27 and 3.27A of the Listing Rules. As such, the Company has fulfilled one of the Additional Resumption Guidance.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This audited annual results announcement is published on the websites of the Stock Exchange and the Company. The annual report will be dispatched to the shareholders of the Company and will be published on the websites of the Stock Exchange and the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The Company will issue a separate announcement regarding the date of the upcoming AGM, and the dates of closure of register of members of the Company.

RESUMPTION GUIDANCE

The Stock Exchange has imposed the Resumption Guidance for the Company as detailed under the section headed “BASIS OF PREPARATION” to the consolidated financial statements in this announcement.

The Company is taking appropriate steps to remedy the issues causing the Suspension and fully comply with the Listing Rules to the Stock Exchange’s satisfaction before trading in the shares is allowed to resume. On 19 September 2025, the Company submitted a resumption proposal (the “**Resumption Proposal**”) to the Stock Exchange. The Company is currently attending to the queries of the Stock Exchange with regards to the Resumption Proposal.

Please refer to the announcements of the Company dated 4 July 2024, 7 October 2024, 23 October 2024, 6 January 2025, 7 April 2025 and 22 September 2025 for details of the progress of the Resumption. The Company will keep its shareholders and public informed of the developments in this regard by making further announcements as and when appropriate.

As at the date of this announcement, the Company is working towards resumption and is taking appropriate steps to fulfil the resumption conditions. The Company will keep the shareholders of the Company and the public on, among others, the progress as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024 and will remain suspended until further notice. The Company will keep its shareholders and the public informed of the latest development by making further announcement(s) as and when appropriate.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION *(continued)*

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their dedication and contribution to the Group. In addition, I would like to thank all our shareholders and investors for their support and our customers for their patronage.

By Order of the Board
KEYNE LTD
Yu Chao
Executive Director and Chief Executive Officer

Hong Kong, 26 November 2025