



EPI (Holdings) Limited 長盈集團(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 689)

INTERIM **2025** REPORT



*For identification purpose only

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Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

"Board"	Board of Directors
"Company"	EPI (Holdings) Limited
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"C\$"	Canadian dollars
"HK\$" and "HK cent(s)"	Hong Kong dollars and cent(s)
"NZD"	New Zealand dollars
"US\$"	United States dollars
"%"	per cent

The Chinese version of this interim report is a translation of the English version and is for reference only. In case of any discrepancies or inconsistencies between the English version and the Chinese version, the English version shall prevail.

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Shui Yuen
Mr. Bai Zhifeng
Mr. Wang Jinglu

Independent Non-executive Directors

Mr. Pun Chi Ping
Mr. Khoo Wun Fat, William
Ms. Jiao Jie

AUDIT COMMITTEE

Mr. Pun Chi Ping (*Chairman*)
Mr. Khoo Wun Fat, William
Ms. Jiao Jie

REMUNERATION COMMITTEE

Ms. Jiao Jie (*Chairlady*)
Mr. Pun Chi Ping
Mr. Khoo Wun Fat, William

NOMINATION COMMITTEE

Mr. Khoo Wun Fat, William (*Chairman*)
Mr. Pun Chi Ping
Ms. Jiao Jie

CORPORATE GOVERNANCE COMMITTEE

Mr. Khoo Wun Fat, William (*Chairman*)
Mr. Chan Shui Yuen
Mr. Wang Jinglu

COMPANY SECRETARY

Mr. Chan Shui Yuen

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 1502-03, 15th Floor
Great Eagle Centre
23 Harbour Road
Wanchai, Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of Communications Co., Ltd., Hong Kong Branch
Bank of Communications (Hong Kong) Limited
China CITIC Bank International Limited
Bank of Montreal
Royal Bank of Canada
Bank of New Zealand

LEGAL ADVISER

Zhong Lun Law Firm LLP

AUDITOR

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

TRADING OF SHARES

Hong Kong Stock Exchange
(Stock Code: 689)

WEBSITE

<https://www.epiholdings.com>

Management Discussion and Outlook

BUSINESS REVIEW

During the six months ended 30 June 2025 (“HY2025”), the Group continued to principally engage in the businesses of petroleum exploration and production, solar energy, money lending and investment in securities.

During HY2025, international oil prices were trading in a narrower range when compared with the first half of 2024. The price of West Texas Intermediate crude oil, one of the benchmarks of international oil prices, was around US\$70 per barrel (“/bbl”) in December 2024, reached its peak of US\$76/bbl in January 2025, and dropped back to around US\$68/bbl in June 2025, compared with the US\$74/bbl to US\$85/bbl price range in the first half of 2024. International oil prices are expected to remain volatile in the remaining 2025, driven by continuous changes in global supply and demand forces, which are influenced by factors including the escalated tariffs levied by the United States on its trading partners, the progress in unwinding voluntary production cuts by OPEC+, the demands of advanced and developing economies, the political instability and conflict in oil-producing regions, the geopolitical tensions in the Middle East and the ongoing Russia-Ukraine war.

During HY2025, the Group continued with its petroleum exploration and production business and development plan of the oil field in Windy Lake region, located near Calgary in Alberta Province of Canada (the “**Canadian Oil Assets**”), which were acquired in July 2022. For HY2025, the Canadian Oil Assets contributed a revenue of HK\$33,458,000 (30 June 2024: HK\$32,605,000), earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) of HK\$19,215,000 (30 June 2024: HK\$18,865,000) and an operating profit of HK\$7,990,000 (30 June 2024: HK\$7,182,000) to the Group’s results.

To pursue the Group’s strategic initiatives to develop a diversified and balanced energy business portfolio, the Group entered into two agreements in July and August 2021 to invest in solar energy power generation projects that are participating in the Renewable Energy Feed-in Tariff Scheme (the “**FiT Scheme**”), being a scheme promoted by the Hong Kong Government to incentivise the private sector to produce clean energy for sale to the two power companies in Hong Kong. As of 30 June 2025, the Group had invested a sum of HK\$58,265,000 in solar energy power generation projects under the two aforementioned agreements. For HY2025, the solar energy business contributed a revenue of HK\$4,343,000 (30 June 2024: HK\$3,759,000), an EBITDA of HK\$4,271,000 (30 June 2024: HK\$3,638,000) and an operating profit of HK\$1,634,000 (30 June 2024: HK\$998,000) to the Group’s results.

Overall speaking, for HY2025, the Group recorded an increase in revenue by 4% to HK\$38,158,000 (30 June 2024: HK\$36,841,000) and recorded a substantial increase in profit attributable to owners of the Company to HK\$11,117,000 (30 June 2024: HK\$1,034,000), which was mainly the combined effect of (i) the recognition of exchange gain of HK\$8,136,000 as a result of the appreciation of the Canadian dollar and the New Zealand dollar against the Hong Kong dollar during HY2025 (30 June 2024: exchange loss of HK\$3,753,000); (ii) the increase in income tax expense, mainly related to petroleum exploration and production business, to HK\$1,495,000 (30 June 2024: HK\$412,000); and (iii) the recognition of professional fee in relation to the capital reorganisation of the Company and the participation and operating agreement of petroleum exploration and production business of HK\$321,000 (30 June 2024: nil). Earnings per share was HK1.86 cents (30 June 2024: HK0.20 cent, restated upon share consolidation being effective on 1 April 2025). Further details of the share consolidation are contained in Note 19 to the condensed consolidated financial statements.

Petroleum Exploration and Production

The Canadian Oil Assets represent an operating oil field comprising petroleum and natural gas rights, facilities and pipelines, together with other properties and assets located in Windy Lake region, near Calgary in Alberta Province of Canada. The Canadian Oil Assets are managed under EP Resources Corporation (“EPR”), a Canadian incorporated wholly-owned subsidiary of the Company, by a team of local management with extensive experience in the oil and gas industry in Calgary, Canada.

For HY2025, the Group’s petroleum exploration and production business (constituted by the Canadian Oil Assets) generated a revenue of HK\$33,458,000 (30 June 2024: HK\$32,605,000), an EBITDA of HK\$19,215,000 (30 June 2024: HK\$18,865,000), and an operating profit of HK\$7,990,000 (30 June 2024: HK\$7,182,000).

For HY2025, the Canadian Oil Assets produced approximately 84,500 barrel (“bbl”) and sold approximately 84,500 bbl of crude oil, and generated a revenue (before royalties payment) of approximately C\$6,731,000 (equivalent to HK\$37,211,000) at an average selling price of C\$79.7/bbl, whilst during the six months ended 30 June 2024 (“HY2024”), the Canadian Oil Assets produced and sold approximately 76,600 bbl and 75,800 bbl of crude oil respectively, and generated a revenue (before royalties payment) of approximately C\$6,520,000 (equivalent to HK\$37,516,000) at an average selling price of C\$86.1/bbl. The crude oil produced from the Canadian Oil Assets were trucked and sold to the independent oil distributors located in the nearby regions who would largely resell the same to the American importers.

During HY2025, EPR incurred capital expenditure of C\$338,000 (equivalent to HK\$1,867,000) representing mainly purchase of materials and service fee for the new wells under 2025 drilling plan. The drilling work of two new wells commenced in July 2025. As of 30 June 2025, there were 43 producing wells in operation with an average remaining reserve life of more than ten years, whilst during HY2025, one well was abandoned (31 December 2024: 44 producing wells). Since completion of the acquisition of the Canadian Oil Assets in July 2022, the Group has completed the drilling work of ten new wells as a result of (i) the completion of drilling work of three new wells under the Group’s 2022 drilling plan, with production of two wells commenced in January 2023 and one in February 2023; (ii) the completion of drilling work of four new wells under the Group’s 2023 drilling plan, with production of all four new wells commenced in August 2023, and (iii) the completion of drilling of three wells under the Group’s 2024 drilling plan, with production of all three new wells commenced in September 2024.



The Group’s central battery in Windy Lake region



Drilling rig for new wells drilling

Management Discussion and Outlook

On 30 June 2025, EPR entered into a participation and operating agreement with BRW Petroleum Corp. (“**BRW**”), a company incorporated in Alberta Province of Canada with its principal business in exploration and production of oil and gas, to participate and farm-in to the interest of BRW in the lands to earn an interest in the well and shall pay to BRW the well costs. The drilling work of the well commenced in July 2025. Further details of the participation and operating agreement were set out in the announcements of the Company dated 30 June 2025 and 21 July 2025.

Solar Energy

In recent years, major countries in the world are actively formulating their energy policies to curb carbon emissions and it is the Group’s business strategy to expand its footprints in the energy sector through investing in renewable energy assets, including solar energy projects, which could support the Group’s healthy and sustainable business development. On 23 July 2021, in order to capture the business opportunities in decarbonisation, the Group entered into a cooperation agreement with a specialist solar energy total solution and services provider to invest in solar energy power generation projects, from which the electricity generated can be sold to the two power companies and thereby earning the feed-in tariff income under the FiT Scheme. Moreover, for further development of the solar energy business, on 30 August 2021, the Group entered into an acquisition agreement to acquire a portfolio of existing and to-be-completed solar energy power generation projects which are participating in the FiT Scheme. By March 2023, all the solar energy power generation projects had been completed and the Group currently has 50 solar photovoltaic systems in operation.

As of 30 June 2025, the Group had 50 solar photovoltaic systems in operation with a total on-grid power generation capacity of approximately 3,200-kilowatt, total investment in these solar energy power generation projects amounted to HK\$58,265,000. For HY2025, the operations recorded an increase in revenue by 16% to HK\$4,343,000 (HY2024: HK\$3,759,000), which was mainly due to the increase in bright sunshine duration (as published by the Hong Kong Observatory) by 29% to about 900 hours as compared with about 700 hours in HY2024. Accordingly, the operation recorded an increase in EBITDA by 17% to HK\$4,271,000 (HY2024: HK\$3,638,000).

Money Lending

For HY2025, the Group continued to conduct its money lending business through Have Result Finance Limited, a wholly-owned subsidiary of the Company, and is licensed to conduct money lending activities under the Money Lenders Ordinance. The Group’s money lending business reported a decrease in revenue by 34% to HK\$315,000 (HY2024: HK\$477,000) and operating profit (before provision of expected credit loss (“**ECL**”)) by 17% to HK\$318,000 (HY2024: HK\$381,000), which were mainly due to the lower average amount of performing loans advanced to borrowers during HY2025 (before the commencement of money lending business in New Zealand in June 2025) as compared with HY2024. A provision of ECL of HK\$527,000 (HY2024: HK\$395,000) was recognised which mainly represented the decrease in market value of a property pledged by the borrower to the Group in Hong Kong.

Management Discussion and Outlook

During June 2025, the Group commenced its money lending business in New Zealand, through EPI ESG Investment (New Zealand) Limited (“**EPINZ**”), a wholly-owned New Zealand subsidiary of the Company. The Group intends to develop a stable source of loan deals from its business network and expand the source of income from the money lending business. At 30 June 2025, the carrying amount of the loan portfolio of EPINZ was NZD800,000 (equivalent to HK\$3,840,000), which was granted to a corporate borrower incorporated in New Zealand with local residential properties pledged as collateral.

The Group performs impairment assessment on loan receivables under the ECL model. The measurement of ECL is a function of the probability of default, the loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default (i.e., the magnitude of the loss after accounting for the value of the collateral if there is a default). The assessments of the probability of default and loss given default are based on historical data and forward-looking information, whilst the valuations of the assets/properties pledged to the Group as collateral are performed by independent professional valuers engaged by the Group, where applicable, at each reporting date for the purpose of determining ECL. In accordance with the Group’s loan impairment policy, the amount of ECL is updated at each reporting date to reflect the changes in credit risk on loan receivables since initial recognition. At the period end, the net impairment allowance recognised primarily represented the credit risk involved in collectability of certain default and non-default loans determined under the Group’s loan impairment policy, with reference to factors including the credit history and financial conditions of the borrowers, the ageing of the overdue balances, the realisation value of the collateral pledged to the Group, and forward-looking information including the future macroeconomic conditions affecting the borrowers. Further details of the credit risk and impairment assessment on the loan and interest receivables are contained in Note 15 to the condensed consolidated financial statements.

The Group has a system in place to closely monitor the recoverability of its loan portfolio, its credit monitoring measures include regular collateral value review against market information and regular communication with the borrowers of their financial positions, through which the Group will be able to keep updated with the latest credit profile and risk associated with each individual borrower and could take appropriate actions for recovery of a loan at the earliest time. If circumstances require, the Group will commence legal actions against the borrowers for recovery of the overdue loans and taking possession of the collateral pledged.

The impairment allowance recognised on loan and interest receivables at the period end represented the credit risk involved in collectability of certain credit-impaired loans determined under the Group’s loan impairment policy, and factors including the credit history of the borrowers, the realisation value of the collateral pledged to the Group, and the prevailing economic conditions had been considered. There had been no change in the method used in determining the impairment allowance on loan and interest receivables from the prior financial year. The Group has taken various actions for recovery of the credit impaired loans including commencing legal actions against the borrowers.

Overall, the size of the Group’s loan portfolio increased by 22% to HK\$18,528,000 (31 December 2024: HK\$15,216,000) (on a net of impairment allowance basis) mainly the result of a new loan granted by EPINZ in June 2025. The Group aims to make loans that could be covered by sufficient collateral, preferably properties and assets with good quality, and to borrowers with good credit history. The target customer groups of the business are individuals and corporate entities that have short-term funding needs for business purpose and could provide sufficient collateral for their borrowings. The Group has a stable source of loan deals from its own business network and sales agents.

Management Discussion and Outlook

At 30 June 2025, the carrying amount of the Group's loan portfolio amounted to HK\$18,528,000 (after impairment allowance of HK\$13,819,000) and was constituted by term loans made to three borrowers with details as follows:

Category of borrowers	Approximate weighting to the carrying amount of the Group's loan portfolio %	Interest rate per annum %	Maturity
Corporate	41.5	8.0 - 12.0	Within one year
Individual	58.5	11.0 - 18.0	Within one year
	100.0		

At 30 June 2025, 100% of the carrying amount of the loan portfolio (after impairment allowance) was secured by collateral. At the period end, the loans made to all borrowers were term loans which due within one year. The loan made to the largest borrower and the three largest borrowers represented 59% and 100% respectively of the Group's loan portfolio (on a net of impairment allowance basis).

The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including (i) due diligence; (ii) credit appraisal; (iii) proper execution of documentation; (iv) continuous monitoring; and (v) collection and recovery. Before granting loan to a potential customer, the Group performs credit appraisal process to assess the potential borrower's credit quality and defines the credit limit granted to the borrower. The credit appraisal process encompasses detailed assessment on the credit history and financial background of the borrower, as well as the value and nature of the collateral to be pledged. The credit limit of a loan successfully granted to the borrower will be subject to regular credit review by the management as part of the ongoing loan monitoring process.

Management Discussion and Outlook

The following is a summary of the key internal controls of the Group's money lending operation:

Due diligence	Identity check and financial background check on the loan applicant will be performed. Information provided by the loan applicant including identity, financial statements and income proof of the applicant will be checked and verified by the responsible loan officer, where appropriate, company, legal, credit and bankruptcy search on the loan applicant, and land search and site visit on the property offered as collateral, will be conducted.
Credit appraisal	Detailed assessment on the credit history and financial background of the loan applicant, as well as the value and nature of the collateral to be pledged, will be conducted. There will be credit assessment including analysis on the repayment ability and credit history of the loan applicant, and analysis on the potential recovery from realisation of the collateral. The credit assessment process will be conducted by the responsible loan officer and reviewed by the responsible loan manager.
Proper execution of documentation	For loan application recommended by the responsible loan manager and duly approved by the board of directors of the Group's money lending subsidiaries, the responsible loan officer will arrange preparation and proper execution of the loan documentation under the supervision of the responsible loan manager, and usually with the support of professional lawyers.
Continuous monitoring	There will be continuous monitoring on the repayments from borrower, regular communication with the borrower of its updated financial position, and regular review on credit limit of the loan granted and market value of the collateral pledged performed by the responsible loan officer and manager.
Collection and recovery	Formal reminder and legal demand letter will be issued to the borrower if there is an overdue payment. Where appropriate, legal action will be commenced against the borrower for recovery of the amount due and taking possession of the collateral pledged.

All loans will be granted under the approval of the board of directors of the Group's money lending subsidiaries.

Management Discussion and Outlook

Investment in Securities

The Group generally acquires securities listed on the Hong Kong Stock Exchange or other recognised stock exchanges and over-the-counter markets with good liquidity that can facilitate swift execution of securities transactions. For making investment or divestment decision on securities of individual target company, references will usually be made to the latest financial information, news and announcements issued by the target company, investment analysis reports that the Company has access to, as well as industry or macroeconomic news. When deciding on acquiring securities to be held for long-term purpose, particular emphasis will be placed on the past financial performance of the target company including its sales and profit growth, financial healthiness, dividend policy, business prospects, and industry and macroeconomic outlook. When deciding on acquiring securities to be held other than for long-term purpose, in addition to the factors mentioned, references will also be made to prevailing market sentiments on different sectors of the investment markets. In terms of return, for long-term securities investments, the Company mainly emphasises on return of investment in form of capital appreciation and dividend/interest income. For securities investment other than for long-term holding, the Company mainly emphasises on return of investment in form of trading gains.

At 30 June 2025, the Group's securities investments comprised a financial asset at fair value through profit or loss ("**FVTPL**") portfolio valued at HK\$1,518,000 (31 December 2024: HK\$1,999,000), comprising equity securities listed in Hong Kong, and a debt instrument at fair value through other comprehensive income ("**FVTOCI**") portfolio valued at HK\$3,039,000 (31 December 2024: HK\$3,347,000), comprising debt securities listed in Singapore. As a whole, the Group's securities investments recorded a revenue of HK\$42,000 (HY2024: nil) and a loss, after provision of ECL, of HK\$285,000 (HY2024: HK\$532,000).

Financial assets at FVTPL

At 30 June 2025, the Group held a financial asset at FVTPL portfolio amounting to HK\$1,518,000 (31 December 2024: HK\$1,999,000) measured at market/fair value. For HY2025, the portfolio did not generate any revenue (HY2024: nil). The Group recognised a net loss on financial assets at FVTPL of HK\$3,000 (HY2024: HK\$181,000) for the period, which comprised realised loss and unrealised gain of HK\$25,000 and HK\$22,000 respectively (HY2024: unrealised loss of HK\$181,000).

The realised loss recorded during the period represented the loss on disposal of equity securities in open market and the unrealised gain represented the increase in market value of the listed equity securities held by the Group at the period end. The Group continued to adopt a prudent and disciplined approach in managing its financial asset at FVTPL portfolio and had not made any new investment during the period.

At 30 June 2025, the Group's financial asset at FVTPL portfolio of HK\$1,518,000 comprised the equity securities of a property company listed on the Hong Kong Stock Exchange.

Debt instruments at FVTOCI

At 30 June 2025, the Group's debt instrument at FVTOCI portfolio of HK\$3,039,000 (31 December 2024: HK\$3,347,000) was measured at market/fair value. During HY2025, the Group's debt instrument at FVTOCI portfolio generated revenue of HK\$42,000 (HY2024: nil) representing interest income from debt securities. According to the contractual maturity profile of the debt instruments, all the debt instruments at FVTOCI of HK\$3,039,000 (after impairment allowance) were classified as current assets.

During HY2025, the Group invested HK\$4,508,000 for acquiring an unlisted asset-backed debt securities, which had been matured and redeemed in May 2025, and generated an interest income of HK\$42,000.

For HY2025, a fair value loss on debt instruments at FVTOCI of HK\$308,000 (HY2024: HK\$350,000) was recognised as other comprehensive expense primarily due to the fall in market value of the debt securities and downward adjustment on fair values of certain debt instruments due to their increased credit risks.

The Group performs impairment assessment on debt instruments under the ECL model. The measurement of ECL is a function of the probability of default and loss given default (i.e., the magnitude of the loss if there is a default), with the assessments of the probability of default and loss given default are based on historical data and forward-looking information. In determining the ECL on the Group's debt instruments for the period, the management had taken into account factors including the withdrawal or downgrading of credit ratings of the debt instruments by the credit rating agencies, the defaults of the bond issuers in making payments of interest and principal for their indebtednesses, and forward-looking information including the future macroeconomic conditions affecting the operations of the bond issuers.

For HY2025, a provision of ECL on debt instruments at FVTOCI of HK\$308,000 (HY2024: HK\$350,000) was recognised in profit or loss (with a corresponding adjustment to other comprehensive income) as the credit risks of the debt instruments held by the Group had further increased since initial recognition. During HY2025, the expected loss given default of these debt instruments, which were corporate bonds issued by property companies based in the Mainland, had increased due to the continued defaults of the bond issuers in making payments of interest and principal for their indebtednesses. As the Group expected the financial uncertainties of these bond issuers would ultimately affect the collection of contractual cash flows of these bonds, a provision of ECL on debt instruments at FVTOCI of HK\$308,000 was recognised. There was no change in the method used in determining the ECL on debt instruments at FVTOCI from the prior financial year.

At 30 June 2025, the Group's debt instrument at FVTOCI portfolio of HK\$3,039,000 comprised the debt securities of five Mainland based property companies. The yield to maturity upon initial acquisition of these debt securities ranged from 6.01% to 12.50% per annum.

Management Discussion and Outlook

Overall Results

For HY2025, the Group's petroleum exploration and production business contributed a profit of HK\$7,990,000 (HY2024: HK\$7,182,000), the solar energy business recorded a profit of HK\$1,634,000 (HY2024: HK\$998,000), while the money lending business recorded a loss of HK\$209,000 (HY2024: HK\$14,000), and the Group's investment in securities recorded a loss of HK\$285,000 (HY2024: HK\$532,000). Overall speaking, the Group reported a profit attributable to owners of the Company of HK\$11,117,000 (HY2024: HK\$1,034,000), and a total comprehensive income attributable to owners of the Company of HK\$15,907,000 (HY2024: total comprehensive expense of HK\$1,389,000) which included a fair value loss on debt instruments at FVTOCI of HK\$308,000 (HY2024: HK\$350,000), and exchange gain arising on translation of financial statements of foreign operations of HK\$4,790,000 (HY2024: exchange loss of HK\$2,423,000).

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

On 15 January 2025, the Company entered into a placing agreement with a placing agent whereby the Company conditionally agreed to place, through the placing agent, on a best effort basis, up to 1,047,000,000 new shares of the Company to not less than six independent placees at the placing price of HK\$0.017 per share (the **"Placing"**). The Placing was completed on 12 February 2025 and the net proceeds from the Placing, after deduction of the commission and other expenses of the Placing (including but not limited to placing commission, legal expenses and disbursements), amounted to HK\$15,753,000. The Company intended to apply the net proceeds from the Placing as to approximately (i) 20% for drilling new wells and performing production enhancement works in respect of the Canadian Oil Assets; (ii) 10% as general working capital; and (iii) 70% for funding any investment opportunities which have been currently identified and/or may arise from time to time and which the Board considers to be in the interest of the Company to make such investment(s). Accordingly, the Company may reallocate the use of the net proceeds in response to changing business conditions and appropriate disclosure(s) regarding the change(s), if any, will be made in due course. Further details of the Placing were set out in the announcements of the Company dated 15 January 2025, 27 January 2025 and 12 February 2025.

At 30 June 2025, the net proceeds raised from the Placing with (i) HK\$66,000 had been applied for the drilling works on 2 new wells which have been commenced in July 2025, and the Company expects that the allocated net proceeds of HK\$2,887,000 will be fully utilised in the relevant works in the second half of 2025; (ii) the allocated net proceeds of HK\$1,575,000 has been fully used as general working capital; and (iii) HK\$3,823,000 had been applied to develop the new money lending business in New Zealand while HK\$7,402,000 will be applied to the petroleum exploration and production business to participate and farm-in to the interest of BRW in the lands to earn an interest in the well under the participation and operating agreement, with the details of which were set out in the announcements of the Company dated 30 June 2025 and 21 July 2025.

On 4 February 2025, the Board proposed to implement a capital reorganisation which involved the share consolidation and the capital reduction (the “**Capital Reorganisation**”). Share consolidation involved a consolidation of every ten (10) issued existing shares of par value of HK\$0.01 each into one (1) consolidated share of par value of HK\$0.10 each (the “**Share Consolidation**”). Upon the Share Consolidation becoming effective, the capital reduction involved a reduction of the par value of each issued consolidated share from HK\$0.10 to HK\$0.01 by (a) eliminating any fraction of a consolidated share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the consolidated shares to a whole number; and (b) cancelling the paid-up share capital to the extent of HK\$0.09 per issued consolidated share by way of a reduction of capital. The Capital Reorganisation was approved by the shareholders in the special general meeting held on 28 March 2025 and became effective on 1 April 2025. The Company’s existing issued share capital before Capital Reorganisation of HK\$61,924,000 was reduced to HK\$6,192,000 by HK\$55,732,000 which was transferred to the contributed surplus reserve. Further details of the Capital Reorganisation were set out in the announcements of the Company dated 4 February 2025 and 28 March 2025 and the circular of the Company dated 3 March 2025.

During HY2025, the Group financed its operation mainly by cash generated from operations and shareholders’ funds. At the period end, the Group had current assets of HK\$261,698,000 (31 December 2024: HK\$227,382,000) and liquid assets comprising cash and cash equivalents as well as financial assets at FVTPL totaling HK\$217,391,000 (31 December 2024: HK\$195,314,000). The Group’s current ratio, calculated based on current assets over current liabilities of HK\$10,592,000 (31 December 2024: HK\$10,572,000), was at a very liquid level of about 24.7 (31 December 2024: 21.5).

At 30 June 2025, the Group’s total assets amounted to HK\$471,835,000 (31 December 2024: HK\$436,984,000), the Group’s gearing ratio, calculated on the basis of total liabilities of HK\$43,328,000 (31 December 2024: HK\$40,137,000) divided by total assets, was at a low level of about 9% (31 December 2024: 9%). For HY2025, finance costs represented mainly the accretion expense on decommissioning obligation of HK\$772,000 (HY2024: HK\$967,000).

The Group’s bank and other interest income decreased by 10% to HK\$3,232,000 (HY2024: HK\$3,610,000), was mainly due to general reduction in interest rate for time deposit. At 30 June 2025, the equity attributable to owners of the Company amounted to HK\$428,509,000 (31 December 2024: HK\$396,849,000). The increase in equity attributable to owners of the Company of HK\$31,660,000 was mainly the combined effect of the profit recorded by the Group of HK\$11,117,000, the recognition of other comprehensive income representing the exchange gain arising on translation of financial statements of foreign operations of HK\$4,790,000 and the net proceed of HK\$15,753,000 received upon the completion of the Placing.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Management Discussion and Outlook

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Canadian dollars, Hong Kong dollars, New Zealand dollars and United States dollars. The Group has not experienced any significant foreign exchange exposure to the United States dollars as the exchange rate of the Hong Kong dollar to the United States dollar is pegged. The Group's foreign exchange exposure to the Canadian dollars and the New Zealand dollars could be significant depending on the volatility of exchange rate between the Hong Kong dollar and the Canadian dollar, and between the Hong Kong dollar and the New Zealand dollar. The Group does not currently have a formal foreign currency hedging policy for the Canadian dollars and the New Zealand dollars and will adopt one in due course should significant exposure arise.

Contingent Liability

At 30 June 2025, the Group had no significant contingent liability (31 December 2024: nil).

Pledge of Assets

At 30 June 2025, the Group had not pledged any assets (31 December 2024: nil).

Capital Commitment

At 30 June 2025, the Group had a total capital commitment of HK\$7,402,000 for the cost of a new well under participation and operating agreement which was capital expenditure contracted for but not provided (31 December 2024: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

At 30 June 2025, the Group had a total of 29 (30 June 2024: 24) employees including directors of the Company with 21 (30 June 2024: 17) employees stationed in Hong Kong, 7 (30 June 2024: 7) employees in Canada and 1 (30 June 2024: nil) employee in New Zealand. Staff costs, including directors' emoluments, amounted to HK\$6,661,000 (HY2024: HK\$6,393,000) for the period. The increase in staff costs of HK\$268,000 was mainly due to the increase in number of employees during HY2025. The remuneration packages for directors and staff are normally reviewed annually and are structured by reference to prevailing market terms and individual competence, performance and experience.

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") for its employees in Hong Kong and a pension scheme for its employees in Canada. In addition, the Group provides other employee benefits including medical insurance, discretionary bonus and participation in the Company's share option scheme. The Group's contributions to the MPF Scheme and the other employees' pension scheme are calculated as a percentage of the employees' relevant income and vest fully and immediately with the employees, thus there are no forfeited contributions available to the Group to reduce the existing level of contributions to the MPF Scheme and the other employees' pension scheme.

PROSPECTS

It is the Group's business strategy to continue developing its petroleum exploration and production business while diversifying its business into energy sector by operating renewable energy projects, which offer sustainable business development to the Group and create new value to shareholders. In pursuance of these strategic initiatives, the Group has successfully acquired the Canadian Oil Assets and developed solar energy business.

The Canadian Oil Assets are located near Calgary City, Alberta Province in Canada which has a stable political environment, a well-established system of oil regulations and industrial policies, a well-developed business infrastructure for the oil industry, and the fourth largest oil reserves in the world. The Group considers that there are still enormous business opportunities available in Canada for developing its petroleum business.

The solar energy power generation projects the Group operating are participating in the FiT Scheme, a policy initiative introduced by the Hong Kong Government encouraging private sectors to participate in producing cleaner fuel and develop renewable energy technologies. Under the FiT Scheme, scheme participants who install solar or wind power generation system can sell the renewable energy generated to the two power companies in Hong Kong at a rate considerably higher than the normal electricity tariff rate until the end of 2033. Through investing in the aforementioned solar energy power generation projects, the Group is able to secure a long-term and stable stream of revenue from the tariff income earning projects.

Overall speaking, the Group's business strategy to build a diversified and balanced energy business portfolio, comprising petroleum and solar energy assets, will present the Group with favourable long-term prospects. This aligns with the Group's sustainable corporate strategy of broadening its income stream to achieve a sustainable and attractive return to shareholders.

Looking forward, the Group will continue to actively pursue its interests in the petroleum and solar energy businesses, and will manage its businesses in a prudent and disciplined approach in view of the business uncertainties brought by the volatilities of international oil prices arising from the escalated tariffs levied by the United States on its trading partners, the progress in unwinding voluntary production cuts by OPEC+, the demands of advanced and developing economies, the political instability and conflict in oil-producing regions, the geopolitical tensions in the Middle East and the ongoing Russia-Ukraine war.

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	2024
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	38,158	36,841
Sales of petroleum, net of royalties		33,458	32,605
Sales of electricity		4,343	3,759
Interest income		357	477
Purchases, processing and related expenses		(10,058)	(9,279)
Other income and losses, net	5	11,488	24
Net loss on financial assets at fair value through profit or loss	6	(3)	(181)
Provision of expected credit loss on loan and interest receivables		(527)	(395)
Provision of expected credit loss on debt instruments at fair value through other comprehensive income		(308)	(350)
Wages, salaries and other benefits	9	(6,661)	(6,393)
Depreciation	9	(13,646)	(13,989)
Other expenses		(4,978)	(3,793)
Finance costs	7	(853)	(1,039)
Profit before tax		12,612	1,446
Income tax expense	8	(1,495)	(412)
Profit for the period	9	11,117	1,034
Other comprehensive (expense) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value loss on debt instruments at fair value through other comprehensive income		(308)	(350)
Provision of expected credit loss on debt instruments at fair value through other comprehensive income included in profit or loss		308	350
Exchange differences arising on translation of financial statements of foreign operations		4,790	(2,423)
Other comprehensive income (expense) for the period, net of income tax		4,790	(2,423)
Total comprehensive income (expense) for the period attributable to owners of the Company		15,907	(1,389)
Earnings per share attributable to owners of the Company			(Restated)
– Basic	11	HK1.86 cents	HK0.20 cent

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	194,589	196,269
Right-of-use assets	12	3,676	2,174
Deposit paid for decommissioning obligation	13	9,253	8,540
Deferred tax assets		2,619	2,619
Total non-current assets		210,137	209,602
Current assets			
Debt instruments at fair value through other comprehensive income	14	3,039	3,347
Inventories		100	92
Loan and interest receivables	15	18,528	15,216
Trade and other receivables and prepayments	13	22,429	13,413
Financial assets at fair value through profit or loss	16	1,518	1,999
Tax recoverable		211	–
Cash and cash equivalents		215,873	193,315
Total current assets		261,698	227,382
Current liabilities			
Other payables	17	6,655	8,192
Tax payable		1,353	891
Lease liabilities		1,325	369
Decommissioning obligation	18	1,259	1,120
Total current liabilities		10,592	10,572
Net current assets		251,106	216,810
Total assets less current liabilities		461,243	426,412
Non-current liabilities			
Lease liabilities		2,587	1,944
Deferred tax liabilities		6,124	4,669
Decommissioning obligation	18	24,025	22,952
Total non-current liabilities		32,736	29,565
Net assets		428,507	396,847
Capital and reserves			
Share capital	19	6,192	52,403
Reserves		422,317	344,446
Equity attributable to owners of the Company		428,509	396,849
Non-controlling interests		(2)	(2)
Total equity		428,507	396,847

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus reserve HK\$'000	Share options reserve HK\$'000	Investment revaluation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000		
				(Note (i))	(Note (iii))	(Note (iii))			
At 1 January 2024 (audited)	52,403	918,270	-	201,645	-	(2,954)	(765,911)	403,453	403,453
Profit for the period	-	-	-	-	-	-	1,034	1,034	1,034
Fair value loss on debt instruments at fair value through other comprehensive income	-	-	-	-	(350)	-	-	(350)	(350)
Provision of expected credit loss on debt instruments at fair value through other comprehensive income	-	-	-	-	350	-	-	350	350
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	(2,423)	-	(2,423)	(2,423)
Total comprehensive (expense) income for the period	-	-	-	-	-	(2,423)	1,034	(1,389)	(1,389)
At 30 June 2024 (unaudited)	52,403	918,270	-	201,645	-	(5,377)	(764,877)	402,064	402,064
At 1 January 2025 (audited)	52,403	918,270	-	201,645	-	(9,362)	(766,107)	396,849	396,847
Profit for the period	-	-	-	-	-	-	11,117	11,117	11,117
Fair value loss on debt instruments at fair value through other comprehensive income	-	-	-	-	(308)	-	-	(308)	(308)
Provision of expected credit loss on debt instruments at fair value through other comprehensive income	-	-	-	-	308	-	-	308	308
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	4,790	-	4,790	4,790
Total comprehensive income for the period	-	-	-	-	-	4,790	11,117	15,907	15,907
Issue of new shares under placing (Note 19(i))	9,521	6,665	-	-	-	-	-	16,186	16,186
Transaction cost attributable to issue of new shares under placing	-	(433)	-	-	-	-	-	(433)	(433)
Effect of share consolidation and capital reduction (Note 19(ii))	(55,732)	-	55,732	-	-	-	-	-	-
At 30 June 2025 (unaudited)	6,192	924,502	55,732	201,645	-	(4,572)	(754,990)	428,509	428,507

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

Notes:

- (i) The share options reserve represents the cumulative expenses on the share options granted recognised over the vesting period. All the expenses in related to the share options forfeited after the vesting date or were not exercised at the expiry date would continue to be held in this reserve. All the outstanding share options were lapsed and there were no outstanding share options as at 30 June 2025 and 31 December 2024.
- (ii) The investment revaluation reserve represents cumulative gains and losses arising from revaluation of debt instruments at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those debt instruments at fair value through other comprehensive income are disposed of or are determined to be impaired.
- (iii) The translation reserve represents exchange differences arising from the translation of financial statements of the Group's foreign operations into the presentation currency of the Group.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash from operating activities		8,796	5,702
Investing activities			
Bank and other interest received	5	3,232	3,610
Purchase of property, plant and equipment		(1,876)	(119)
Net cash from investing activities		1,356	3,491
Financing activities			
Proceed from issue of new shares under placing		15,753	–
Repayment of principal amount of lease liabilities		(615)	(794)
Interest paid	7	(81)	(72)
Net cash from (used in) financing activities		15,057	(866)
Net increase in cash and cash equivalents		25,209	8,327
Cash and cash equivalents at the beginning of the period		193,315	168,287
Effect of foreign exchange rate changes		(2,651)	27
Cash and cash equivalents at the end of the period, represented by cash and cash equivalents		215,873	176,641

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of Appendix D2 to the Listing Rules.

The condensed consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value.

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to the HKFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. REVENUE

Revenue from major products and services

The Group's revenue is arising from petroleum exploration and production, solar energy, money lending and investment in securities businesses.

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of petroleum	37,211	37,516
Less: Royalties	(3,753)	(4,911)
Sales of petroleum, net of royalties	33,458	32,605
Sales of electricity	4,343	3,759
Interest income from money lending business*	315	477
Interest income from debt instruments at fair value through other comprehensive income ("FVTOCI")*	42	–
	38,158	36,841

* Under effective interest method

During the six months ended 30 June 2025 and 2024, revenue from sales of petroleum was recognised at a point in time. Revenue from sales of petroleum was recognised once the control of the crude oil was transferred from the Group to the customer. Revenue was measured based on the oil price agreed with the customers at the point of sales.

During the six months ended 30 June 2025 and 2024, revenue from sales of electricity was recognised at a point in time when the electricity generated (by solar energy power generation systems) and transmitted was simultaneously received and consumed by the power companies under the Renewable Energy Feed-in Tariff Scheme (the "FIT Scheme"), jointly launched by the Hong Kong Government and the two power companies in Hong Kong. The Group has no unsatisfied performance obligations at each reporting date.

Interest income fall outside the scope of HKFRS 15 "Revenue from Contracts with Customers".

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segments, based on the information provided to the chief operating decision maker representing the Board, for the purposes of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

The Group's operating segments under HKFRS 8 "Operating Segments" are as follows:

- (i) Petroleum exploration and production
- (ii) Solar energy
- (iii) Money lending
- (iv) Investment in securities

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

For the six months ended 30 June 2025

	Petroleum exploration and production HK\$'000 (Unaudited)	Solar energy HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Investment in securities HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue					
External sales/sources	33,458	4,343	315	42	38,158
Results					
Segment results before provision of expected credit loss ("ECL")	7,990	1,634	318	23	9,965
Provision of ECL	-	-	(527)	(308)	(835)
Segment results	7,990	1,634	(209)	(285)	9,130
Other income and losses, net					10,883
Corporate expenses					(7,357)
Finance costs					(44)
Profit before tax					12,612
Income tax expense					(1,495)
Profit for the period					11,117

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the six months ended 30 June 2024

	Petroleum exploration and production HK\$'000 (Unaudited)	Solar energy HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Investment in securities HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue					
External sales/sources	32,605	3,759	477	–	36,841
Results					
Segment results before provision of ECL	7,182	998	381	(182)	8,379
Provision of ECL	–	–	(395)	(350)	(745)
Segment results	7,182	998	(14)	(532)	7,634
Other income and losses, net					(376)
Corporate expenses					(5,782)
Finance costs					(30)
Profit before tax					1,446
Income tax expense					(412)
Profit for the period					1,034

Segment results represent the profit earned/loss incurred by each segment without allocation of certain other income and losses, net, corporate expenses, certain finance costs and income tax expense.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Segment assets		
Petroleum exploration and production	210,517	195,769
Solar energy	58,803	58,070
Money lending	56,707	19,584
Investment in securities	5,092	5,405
Total segment assets	331,119	278,828
Unallocated:		
Property, plant and equipment	137	151
Cash and cash equivalents	124,815	155,681
Right-of-use assets	1,752	109
Other assets	14,012	2,215
Consolidated assets	471,835	436,984
Segment liabilities		
Petroleum exploration and production	37,465	34,683
Solar energy	2,086	2,188
Money lending	–	61
Total segment liabilities	39,551	36,932
Unallocated:		
Lease liabilities	1,834	102
Other liabilities	1,943	3,103
Consolidated liabilities	43,328	40,137

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, certain cash and cash equivalents, certain right-of-use assets and certain other assets; and
- all liabilities are allocated to operating segments other than certain lease liabilities and certain other liabilities.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. OTHER INCOME AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank and other interest income	3,232	3,610
Exchange gain (loss), net	8,136	(3,753)
Others	120	167
	11,488	24

6. NET LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Realised loss on disposal of financial assets at fair value through profit or loss ("FVTPL")	(25)	–
Unrealised gain (loss) on financial assets at FVTPL	22	(181)
	(3)	(181)

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Accretion expense on decommissioning obligation (Note 18)	772	967
Interest on lease liabilities	81	72
	853	1,039

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax		
– Canada withholding tax	394	412
Deferred tax	1,101	–
Income tax expense recognised in profit or loss	1,495	412

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The Corporate Tax rate of Canadian subsidiaries is 23% that composed of federal tax rate at 15% and provincial tax rate at 8%.

Withholding tax rate on the interest income and distributable profits from Canadian subsidiaries is 10% and 5% respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs		
– directors' emoluments	903	822
– other staff costs	5,517	5,361
– other staff retirement benefits schemes contributions (excluding directors)	241	210
Total staff costs	6,661	6,393
Depreciation of property, plant and equipment	12,934	13,192
Depreciation of right-of-use assets	712	797
Total depreciation	13,646	13,989
Professional and consultancy fees	2,683	1,934

10. DIVIDENDS

No dividend was paid, declared or proposed for the six months ended 30 June 2025 (30 June 2024: nil), nor has any dividend been proposed since the end of the reporting period (30 June 2024: nil).

For the six months ended 30 June 2025

11. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	11,117	1,034
	Six months ended 30 June	
	2025	2024
	'000	'000
		(Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	597,151 ¹	524,034 ²

Notes:

1. The weighted average number of ordinary shares for the purpose of calculation of the earnings per share has been adjusted for the effect of the placing of new shares completed on 12 February 2025 and the effect of share consolidation being effective on 1 April 2025.
2. The weighted average number of ordinary shares for the purpose of calculation of the earnings per share has been adjusted for the effect of the share consolidation being effective on 1 April 2025.

For the six months ended 30 June 2025 and 2024, the diluted earnings per share attributable to owners of the Company are not presented as there were no dilutive potential ordinary shares in issue.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group had additions of construction in progress related to oil and gas properties of HK\$1,867,000 (30 June 2024: HK\$119,000) and other office equipment of HK\$9,000 (30 June 2024: nil).

During the six months ended 30 June 2025, the Group entered into new lease agreement with lease terms for 2 years. On the date of lease commencement, the Group recognised right-of-use assets of HK\$2,214,000 and lease liabilities of HK\$2,214,000.

During the six months ended 30 June 2024, the Group had not entered into any new lease agreement.

13. DEPOSITS AND PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Deposit paid for decommissioning obligation (Note (i))	9,253	8,540
Trade receivables (Note (ii))	7,308	8,999
Deposits and prepayments	12,822	3,397
Others	2,299	1,017
	22,429	13,413

Notes:

- (i) The amount represented a refundable deposit paid to Alberta Energy Regulator in relation to decommissioning obligation of the Group's petroleum exploration and production business in Canada.
- (ii) The Group allows an average credit period of 30 to 60 days (31 December 2024: 30 to 60 days). The trade receivables of HK\$7,308,000 (31 December 2024: HK\$8,999,000) were aged within 60 days from the customers' statement date and were neither past due nor impaired.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limit by customer. Credit limit and credit quality attributed to customers are reviewed by the management regularly.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

14. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Listed investments, at fair value:		
– Debt securities listed in Singapore (31 December 2024: Singapore) with fixed interests ranging from 5.25% to 11.75% (31 December 2024: 5.25% to 11.75%) per annum and contractual maturity dates ranging from 23 March 2022 to 28 June 2025 (31 December 2024: 23 March 2022 to 28 June 2025)	3,039	3,347

At 30 June 2025 and 31 December 2024, the fair values of the debt instruments at FVTOCI were determined based on quoted market prices and credit risk adjustments on certain debt instruments.

The Group assessed the ECL for debt instruments at FVTOCI by reference to credit ratings of the debt instruments announced by recognised rating agencies (i.e., Moody's, Fitch), the macroeconomic factors affecting each issuer, and the probability of default and loss given default of each debt instrument. The Group also took into account forward-looking information that was reasonably and supportably available to the Group without undue cost or effort, including information such as gross domestic production growth rate and unemployment rate.

For the current interim period, provision of ECL of HK\$308,000 (30 June 2024: HK\$350,000) on debt instruments at FVTOCI was recognised in profit or loss with corresponding adjustment to other comprehensive income.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. LOAN AND INTEREST RECEIVABLES

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Fixed-rate loan receivables	32,323	28,500
Interest receivables	24	8
	32,347	28,508
Less: Impairment allowance	(13,819)	(13,292)
	18,528	15,216
Analysed as:		
Current portion	18,528	15,216
Analysed as:		
Secured	18,528	15,216

The range of interest rates and maturity dates attributed to the Group's performing loan receivables at 30 June 2025 were 8% to 12% (31 December 2024: 12%) per annum and from 26 April 2026 to 9 June 2026 (31 December 2024: 26 April 2025) respectively.

An analysis of the Group's loan and interest receivables by their contractual maturity dates is as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Loan and interest receivables:		
Within one year or on demand	18,528	15,216

Before granting loans to borrowers, the Group uses internal credit assessment process to assess the potential borrowers' credit quality individually and defines the credit limits granted to the borrowers. The credit limits attributed to the borrowers are reviewed by the management regularly.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. LOAN AND INTEREST RECEIVABLES (continued)

Impairment assessment

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument at the reporting date with the risk perceived at the date of initial recognition. In making this assessment, the loan and interest receivables from borrowers are assessed individually by the management of the Group, based on the financial background, financial condition and historical settlement records, including past due dates and probability of default, of each borrower and reasonable and supportable forward-looking information that is available without undue cost or effort. Each borrower is assigned a risk grading under internal credit ratings to calculate the ECL, taking into consideration the estimates of expected cash shortfalls which are driven by the estimates of probability of default and expected loss given default, including taking into account the amount and timing of cash flows that are expected from foreclosure on the collateral (if any) less the costs of selling the collateral. At every reporting date, the financial background, financial condition and historical settlement records of each borrower are reassessed and changes in the forward-looking information are considered.

At 30 June 2025, the aggregate gross amount of the Group's loan and interest receivables amounted to HK\$32,347,000 (31 December 2024: HK\$28,508,000), of which (i) HK\$23,500,000 (31 December 2024: HK\$23,500,000) was secured by the borrower's pledged properties, the market value of such properties less the estimated costs to sell amounted to HK\$10,833,000 (31 December 2024: HK\$11,297,000), the market value of the pledged properties was determined using direct comparison method and was categorised into Level 2 of the fair value hierarchy, the related cumulative ECL was HK\$12,667,000 (31 December 2024: HK\$12,203,000) and was provided after considering the adjustment to reflect loss given default based on the expected realisation value of the collateral; (ii) HK\$5,007,000 (31 December 2024: HK\$5,008,000) was secured by the borrower's own unlisted debt instrument, the related cumulative ECL was HK\$1,152,000 (31 December 2024: HK\$1,089,000) and was provided after considering the adjustment to reflect loss given default based on the expected realisation value of the collateral; and (iii) HK\$3,840,000 (31 December 2024: nil) was secured by the borrower's pledged properties, no ECL was provided after considering low loan to value ratio reference to the value of the collateral. At 30 June 2025, loans were granted to a Hong Kong resident, a company incorporated in Hong Kong and a company incorporated in New Zealand.

The Group considers various actions for recovery of the credit-impaired loan including regular collateral review and communication with the borrower in order to keep updated with the latest credit risk profile of the borrower. In the event of occurrence of default, the Group would take possession of the assets held as collateral through court proceedings or accept voluntary delivery of possession of the assets by the borrower. The credit quality review process enables the Group to assess the potential loss in view of the credit risk it is exposed to and to take appropriate corrective actions promptly.

At 30 June 2025, of the Group's loan and interest receivables with aggregate gross carrying amount of HK\$32,347,000 (31 December 2024: HK\$28,508,000), (i) HK\$8,847,000 (31 December 2024: HK\$5,008,000) was not past due; and (ii) HK\$23,500,000 (31 December 2024: HK\$23,500,000) had been past due for 90 days or more. The directors of the Company considered those secured loan and interest receivables that were past due for more than 90 days as credit-impaired, details of the cumulative ECL provided are set out above.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. LOAN AND INTEREST RECEIVABLES (continued)

Impairment assessment (continued)

For the current interim period, provision of ECL of HK\$527,000 (30 June 2024: HK\$395,000) on loan and interest receivables was recognised in profit or loss.

The Group is not permitted to sell or repledge the collateral in the absence of default by the borrowers. There was no any significant changes in the quality of the collateral held for the loan and interest receivables outstanding as at 30 June 2025.

The movement of impairment allowance on loan and interest receivables for the period is as follows:

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 January 2024	1,002	10,908	11,910
Changes due to loan and interest receivables recognised at 1 January 2024:			
– Impairment allowance recognised	87	1,295	1,382
– Impairment allowance reversed	(104)	–	(104)
New loan granted during the year	104	–	104
At 31 December 2024 and 1 January 2025 (audited)	1,089	12,203	13,292
Changes due to loan and interest receivables recognised at 1 January 2025:			
– Impairment allowance recognised	63	464	527
At 30 June 2025 (unaudited)	1,152	12,667	13,819

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Listed investments, at fair value:		
– Equity securities listed in Hong Kong	1,518	1,999

Listed equity securities were stated at fair values which were determined based on quoted market closing prices available on the Hong Kong Stock Exchange.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

17. OTHER PAYABLES

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Accrued professional fees	293	411
Payable for additions of property, plant and equipment (Note (i))	1,813	–
Other payables and accruals (Note (ii))	4,549	7,781
	6,655	8,192

Notes:

- (i) At 30 June 2025, the amount was related to the additions of oil and gas properties with credit period of 60 days.
- (ii) At 30 June 2025, the amount included other payables of HK\$3,173,000 (31 December 2024: HK\$3,184,000) for operating expenses, workover costs and abandonment costs in relation to the Group's petroleum exploration and production business.

18. DECOMMISSIONING OBLIGATION

The movement of decommissioning obligation is as follows:

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
At the beginning of the period/year	24,072	29,107
Settlement of costs	(862)	(1,187)
Change in estimate	(275)	(2,275)
Accretion expense (Note 7)	772	800
Exchange realignment	1,577	(2,373)
At the end of the period/year	25,284	24,072
Less: Amount due within one year shown under current liabilities	(1,259)	(1,120)
Amount due after one year	24,025	22,952

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. SHARE CAPITAL

	Number of ordinary shares '000	Share capital HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 January 2024, 30 June 2024, 31 December 2024, 1 January 2025 and 30 June 2025	100,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 January 2024, 30 June 2024, 31 December 2024, 1 January 2025	5,240,344	52,403
Issue of new shares under placing (Note (i))	952,095	9,521
Share Consolidation (Note (ii))	(5,573,195)	–
Capital reduction (Note (ii))	–	(55,732)
At 30 June 2025	619,244	6,192

Notes:

- (i) On 12 February 2025, a total of 952,095,000 placing shares have been successfully placed to not less than six independent places at the placing price of HK\$0.017 per placing share pursuant to the terms and conditions of the placing agreement dated 15 January 2025.
- (ii) On 1 April 2025, the implementation of the capital reorganisation, which involves the share consolidation and capital reduction (the “**Capital Reorganisation**”), became effective. Share consolidation involved a consolidation of every ten (10) issued existing shares of par value of HK\$0.01 each into one (1) consolidated share of par value of HK\$0.10 each (the “**Share Consolidation**”). Upon the Share Consolidation becoming effective, the capital reduction involved a reduction of the par value of each issued consolidated share from HK\$0.10 to HK\$0.01 by (a) eliminating any fraction of a consolidated share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the consolidated shares to a whole number; and (b) cancelling the paid-up share capital to the extent of HK\$0.09 per issued consolidated share by way of a reduction of capital, the Company's existing issued share capital before Capital Reorganisation of HK\$61,924,000 reduced to HK\$6,192,000 by HK\$55,732,000, which was transferred to the contributed surplus reserve.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

20. SHARE OPTION SCHEME

The existing share option scheme of the Company (the “**Share Option Scheme**”) was adopted by the Company at the annual general meeting of the Company held on 22 June 2016. Unless otherwise cancelled or amended, the Share Option Scheme will be valid and effective for a period of ten years commencing on the date of adoption. In addition, unless the Directors otherwise determined and stated in the offer to the participant, there is no minimum period for which an option granted under the Share Option Scheme must be held before it can be exercised. The purpose of the Share Option Scheme is to enable the Group to grant options to the participants as incentives or rewards for their contribution to the Group or any entity in which the Group holds any equity interest (the “**Invested Entity**”). Eligible participants of the Share Option Scheme include any employees of any member of the Group or any Invested Entity; any directors (including executive, non-executive and independent non-executive directors) of any member of the Group or any Invested Entity; any supplier of goods or services to any member of the Group or any Invested Entity; any customer of any member of the Group or any Invested Entity; any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; any consultant or adviser of any member of the Group or any Invested Entity; and any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

The offer of a grant of share options shall remain open for acceptance by the participant concerned for a period of fifteen (15) business days from the date of grant provided that no such offer shall be open for acceptance after the expiry of the option period or after the Share Option Scheme has been terminated. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK\$1.00.

The subscription price for the shares on the exercise of options under the Share Option Scheme shall be a price determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but in any case the subscription price shall not be less than the higher of: (i) the closing price of the shares as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the date of grant which must be a business day; (ii) the average closing price of the shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share. The exercise period of the share options granted is determined by the Board but in any event, no longer than ten years from the date of grant.

The total number of shares issued and to be issued upon exercise of the options granted to each participant, together with all options granted and to be granted to the participant under any other share option scheme(s) of the Company within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the shares in issue at the proposed date of grant. Any further grant of options to a participant in excess of the 1% limit shall be subject to the approval of the Company’s shareholders with such participant and the participant’s associates abstaining from voting.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

20. SHARE OPTION SCHEME (continued)

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of the shares in issue from time to time. In addition, the total number of the shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company (excluding lapsed options), must not represent more than 10% of the total number of the shares in issue as at the date of approval of the Share Option Scheme (the “**Scheme Mandate Limit**”) or as at the date of the approval of the refreshed Scheme Mandate Limit as the case maybe.

On 4 May 2017, the Company granted share options to eligible persons to subscribe for a total of 436,710,000 ordinary shares of the Company under the Share Option Scheme. The exercise price of the options granted is HK\$0.53 per share and the exercisable period was from 4 May 2017 to 3 May 2020 (both dates inclusive). On 4 May 2020, all the outstanding share options were lapsed.

At the annual general meeting of the Company held on 29 June 2021, the shareholders of the Company approved the refreshment of the Scheme Mandate Limit (the “**Scheme Mandate Limit Refreshment**”). The total number of shares of the Company available for issue under the Share Option Scheme is 524,034,404 shares as refreshed, representing approximately 10% of the issued shares of the Company as at the date of approval of the Scheme Mandate Limit Refreshment and as at 31 December 2024. The Company had not granted any options under the Share Option Scheme for the year ended 31 December 2024. As at 1 January 2024, 30 June 2024 and 31 December 2024, the number of share options available for grant under the Share Option Scheme was 524,034,404 shares.

At the special general meeting of the Company held on 28 March 2025, the shareholders of the Company approved the Capital Reorganisation which became effective on 1 April 2025. As a result, the maximum number of issued shares of the Company which may fall to be issued pursuant to the exercise of any share options under the Share Option Scheme have been adjusted from 524,034,404 shares to 52,403,440 shares pursuant to the terms of the Share Option Scheme. As at 30 June 2025, the number of share options available for grant under the Share Option Scheme was 52,403,440 shares.

No shares options were granted, exercised, cancelled or lapsed during the six months ended 30 June 2025 and 30 June 2024 and no share options were outstanding as at 30 June 2025 and 30 June 2024.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair values at		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)		
Financial assets				
Debt instruments at FVTOCI				
Listed debt securities	3,039	3,347	Level 2	Quoted bid prices with credit risk adjustments
Financial assets at FVTPL				
Listed equity securities	1,518	1,999	Level 1	Quoted bid prices in an active market

There were no transfers among Level 1, 2 and 3 of fair value hierarchy in the current period and prior year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22. RELATED PARTY TRANSACTIONS

The Group had the following transactions and balance with the related parties:

Relationship	Notes	Nature of transaction/balance	Six months ended 30 June	
			2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
A related company	(i)	Rental income	–	189
An individual shareholder	(ii)	Consultancy fee	60	60

Notes:

- (i) The related company is an indirect wholly-owned subsidiary of a public limited liability company whose shares are primarily listed on the Main Board of the Hong Kong Stock Exchange and secondarily listed on the Main Board of Singapore Exchange Securities Trading Limited. The related company and the Company were both indirectly owned by an individual shareholder who held more than 10%, but less than 30%, of the issued shares of both companies. The rental income was included in other income.
- (ii) The individual shareholder of the Company held more than 10%, but less than 30%, of the Company's issued shares. The consultancy fee was included in other expenses.

Compensation of key management personnel

The remuneration of directors and other members of key management is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Short-term employee benefits	1,443	1,238
Retirement benefit schemes contributions	41	34
	1,484	1,272

The remuneration of directors and key management is determined by the Remuneration Committee having regard to the competence, performance and experience of the individuals and prevailing market terms.

INTERIM DIVIDEND

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, none of the directors or chief executive of the Company had registered an interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The existing share option scheme of the Company (the **"Share Option Scheme"**) was adopted by the Company at the annual general meeting of the Company held on 22 June 2016. Unless otherwise cancelled or amended, the Share Option Scheme will be valid and effective for a period of ten years commencing on the date of adoption. In addition, unless the Directors otherwise determined and stated in the offer to the participant, there is no minimum period for which an option granted under the Share Option Scheme must be held before it can be exercised. The purpose of the Share Option Scheme is to enable the Group to grant options to the participants as incentives or rewards for their contribution to the Group or any entity in which the Group holds any equity interest.

At the annual general meeting of the Company held on 29 June 2021, the shareholders of the Company approved the refreshment of the scheme mandate limit (the **"Scheme Mandate Limit Refreshment"**). The total number of shares of the Company available for issue under the Share Option Scheme is 524,034,404 shares as refreshed, representing approximately 10% of the issued shares of the Company as at the date of approval of the Scheme Mandate Limit Refreshment and as at 31 December 2024. The Company had not granted any options under the Share Option Scheme for the year ended 31 December 2024. As at 1 January 2024, 30 June 2024 and 31 December 2024, the number of share options available for grant under the Share Option Scheme was 524,034,404 shares.

At the special general meeting of the Company held on 28 March 2025, the shareholders of the Company approved the capital reorganisation, comprising capital consolidation and capital reduction (the **"Capital Reorganisation"**) and all the conditions of the Capital Reorganisation had been fulfilled. The Capital Reorganisation became effective on 1 April 2025. As a result, the maximum number of issued shares of the Company which may fall to be issued pursuant to the exercise of any share options under the Share Option Scheme have been adjusted from 524,034,404 shares to 52,403,440 shares pursuant to the terms of the Share Option Scheme. As at 30 June 2025, the number of share options available for grant under the Share Option Scheme was 52,403,440 shares. Further details were set out in the announcements of the Company dated 4 February 2025 and 28 March 2025 and the circular of the Company dated 3 March 2025.

No shares options were granted, exercised, cancelled or lapsed during the six months ended 30 June 2025 and 30 June 2024 and no share options were outstanding as at 30 June 2025 and 30 June 2024.

Other Information

Further details of the Share Option Scheme were set out in the Company's 2024 annual report, announcements of the Company dated 4 February 2025 and 28 March 2025 and the circular of the Company dated 3 March 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme as mentioned above, at no time during the six months ended 30 June 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2025, the following interests of more than 5% of the issued shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares of the Company:

Name of shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of the Company's issued shares (Note (i))
Mr. Suen Cho Hung, Paul (" Mr. Suen ")	Interests of controlled corporation	86,208,562 (Notes (ii) and (iii))	13.92%
Premier United Group Limited (" Premier United ")	Interests of controlled corporation	86,208,562 (Notes (ii) and (iii))	13.92%
Billion Expo International Limited (" Billion Expo ")	Beneficial owner	86,208,562 (Notes (ii) and (iii))	13.92%
China Shipbuilding Capital Limited	Beneficial owner	70,017,000 (Note (iv))	11.31%
China State Shipbuilding Corporation Limited	Interests of controlled corporation	70,017,000 (Note (iv))	11.31%
Surich Real Estate Opportunity Fund SPC – Surich Gre Fund SP	Beneficial owner	57,592,500	9.30%
China Create Capital Limited	Beneficial owner	35,770,500	5.78%

Notes:

- (i) The approximate percentage of the Company's issued shares was calculated on the basis of 619,243,904 shares of the Company in issue as at 30 June 2025.
- (ii) These interests were held by Billion Expo, a wholly-owned subsidiary of Premier United which in turn was wholly owned by Mr. Suen. Mr. Suen was the sole director of Billion Expo and Premier United. Accordingly, Mr. Suen and Premier United were deemed to be interested in 86,208,562 shares of the Company under the SFO.
- (iii) The interests of Mr. Suen, Premier United and Billion Expo in 86,208,562 shares of the Company referred to in Note (ii) above related to the same parcel of shares.
- (iv) The interests of China Shipbuilding Capital Limited and China State Shipbuilding Corporation Limited related to the same parcel of shares.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 30 June 2025 as required to be recorded pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE

The Company had complied with all the applicable provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025, except for the following deviations with reasons as explained:

Chairman and chief executive

Code Provision C.2.1

Code Provision C.2.1 of the CG Code requires the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

Deviation

The Company had deviated from Code Provision C.2.1 of the CG Code during the six months ended 30 June 2025 due to the positions of Chairman of the Board and Chief Executive Officer had been left vacant. The Company is still looking for suitable candidates to fill the vacancies of the Chairman of the Board and the Chief Executive Officer of the Company. The day-to-day management responsibilities are taken up by the Executive Directors of the Company; and the overall direction and strategy of the businesses of the Group are decided by the agreement of the Board. There are three Independent Non-executive Directors on the Board offering independent and differing perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place to enable the Company to make and implement decisions promptly and effectively.

Other Information

Shareholders meetings

Code Provision F.2.2

Code Provision F.2.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Deviation

As the position of Chairman of the Board had been left vacant, Mr. Chan Shui Yuen, Executive Director of the Company, was elected and acted as chairman of the annual general meeting of the Company held on 27 June 2025 in accordance with Bye-law 70 of the Company's Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the directors, all of them confirmed that they had complied with the required standards set out in the Model Code during the six months ended 30 June 2025.

UPDATE OF DIRECTORS' INFORMATION

The following is updated information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Company's last published annual report up to 29 August 2025, being the date of this interim report:

- Following the new appointment of Mr. Bai Zhifeng ("**Mr. Bai**") as an executive director of an indirect wholly-owned subsidiary of the Company, Mr. Bai has an additional remuneration of C\$112,320 per annum under his employment agreement with the subsidiary with effect from 21 July 2025. The new appointment and additional remuneration were recommended by the Remuneration Committee and approved by the Board.
- Ms. Jiao Jie resigned as an independent non-executive director of China Sunshine Paper Holdings Company Limited (HKEX stock code: 2002), a company listed on the Main Board of the Hong Kong Stock Exchange, on 29 August 2025.

AUDIT COMMITTEE

The condensed consolidated financial statements of the Company for the six months ended 30 June 2025 have not been audited, but have been reviewed by the Audit Committee and are duly approved by the Board under the recommendation of the Audit Committee.

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

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

By Order of the Board

Chan Shui Yuen

Executive Director

Hong Kong, 29 August 2025