



China Environmental Resources Group Limited
中國環境資源集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1130

INTERIM REPORT
2025-26



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yeung Chi Hang
(Chairman and Chief Executive Officer)
Mr. Leung Kwong Choi
Mr. Wong Po Keung
Mr. Chung Siu Wah
Mr. Chik To Pan
Mr. Liu Yafei

Independent Non-Executive Directors

Mr. Lee Chi Ho
Mr. Heung Chee Hang, Eric
Ms. Lai Pik Chi, Peggy

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

AUDITOR

ZHONGHUI ANDA CPA Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

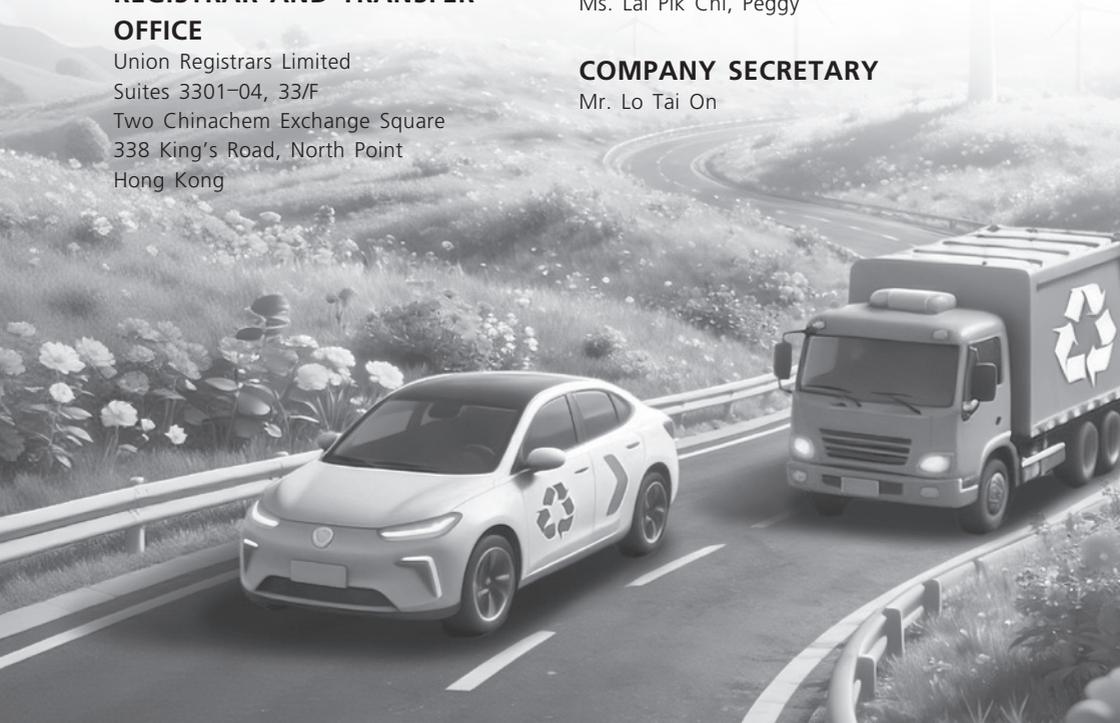
Room 2608, 26/F
Greenfield Tower
Concordia Plaza
No. 1 Science Museum Road
Tsim Sha Tsui East, Kowloon

AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Mr. Lee Chi Ho *(Chairman)*
Mr. Heung Chee Hang, Eric
Ms. Lai Pik Chi, Peggy

COMPANY SECRETARY

Mr. Lo Tai On



CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square, Grand Cayman
KY1-1102, Cayman Islands

REGISTERED OFFICE

Ugland House
P.O. Box 309
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL BANKERS

China CITIC Bank International Limited
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited

HONG KONG STOCK CODE

1130

SINGAPORE STOCK CODE

UIX

WEBSITE

www.cergroup.com.hk



FINANCIAL RESULTS

The board of directors (the “Board”) of China Environmental Resources Group Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2025 together with the comparative figures for the corresponding period in 2024.

These interim financial statements have not been audited, but have been reviewed by the audit committee of the Company.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2025

	Notes	Six months ended 31 December	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	5	27,251	29,799
Cost of sales		(20,726)	(23,388)
Gross profit		6,525	6,411
Other income, gains and losses		12,363	1,149
Administrative and operating expenses		(14,753)	(18,238)
Fair value gain on investment properties		12,606	1,335
Loss arising from changes in fair value less costs to sell of biological assets		(2,329)	(6,654)
Net (loss)/gain on fair value changes in investments at fair value through profit or loss		(18)	285
Gain on disposal of investment properties		1,646	—
Provision for impairment loss of receivables		(52)	—
Profit/(loss) from operations		15,988	(15,712)
Finance costs	6	(2,758)	(2,963)
Profit/(loss) before tax		13,230	(18,675)
Income tax credit	7	1,039	2,121
Profit/(loss) for the period		14,269	(16,554)
Other comprehensive income/(loss) after tax: <i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		3,483	(2,446)
Other comprehensive income/(loss) for the period, net of tax		3,483	(2,446)
Total comprehensive income/(loss) for the period		17,752	(19,000)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2025

	Notes	Six months ended 31 December	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to:			
Owners of the Company		8,948	(15,188)
Non-controlling interests		5,321	(1,366)
		14,269	(16,554)
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		12,305	(17,596)
Non-controlling interests		5,447	(1,404)
		17,752	(19,000)
Earnings/(loss) per share			
Basic (HK cents per share)	8	2	(3)
Diluted (HK cents per share)		2	(3)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	10	1,762	463
Right-of-use assets		2,267	3,149
Investment properties		236,514	225,819
Biological assets		189,210	189,080
Intangible assets		60,674	62,222
Goodwill		2,543	1,087
Finance lease receivables	13	35,898	36,661
		528,868	518,481
Current assets			
Inventories		28,579	22,086
Trade and other receivables	11	44,092	45,975
Loans receivable	12	7,607	7,505
Finance lease receivables	13	2,084	625
Investments at fair value through profit or loss		1,545	140
Refundable secured deposit	14	11,000	11,000
Cash and cash equivalents		23,485	1,920
		118,392	89,251

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2025*

	Notes	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Current liabilities			
Trade and other payables	15	38,744	42,539
Contract liabilities		4,393	4,266
Lease liabilities		3,987	3,068
Borrowings		60,122	63,163
Bank overdrafts		—	4,936
Current tax liabilities		80	18
		107,326	117,990
Net current assets/(liabilities)		11,066	(28,739)
Total assets less current liabilities		539,934	489,742
Non-current liabilities			
Lease liabilities		44,449	46,456
Deferred tax liabilities		62,146	62,701
		106,595	109,157
NET ASSETS		433,339	380,585
Capital and reserves			
Share capital	16	56,287	48,877
Reserves		364,120	325,166
Equity attributable to owners of the Company		420,407	374,043
Non-controlling interests		12,932	6,542
TOTAL EQUITY		433,339	380,585

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2025

	Attributable to owners of the Company									
	Share capital	Share premium account	Statutory reserve	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2024 (audited)	48,877	1,218,321	5,407	76	9,337	24,109	(896,183)	409,944	9,078	419,022
Total comprehensive loss for the period	—	—	—	—	—	(2,408)	(15,188)	(17,596)	(1,404)	(19,000)
At 31 December 2024 (unaudited)	48,877	1,218,321	5,407	76	9,337	21,701	(911,371)	392,348	7,674	400,022
At 1 July 2025 (audited)	48,877	1,218,321	5,407	76	—	28,513	(927,151)	374,043	6,542	380,585
Total comprehensive income for the period	—	—	—	—	—	3,357	8,948	12,305	5,447	17,752
Issue of shares (note 16)	7,410	26,649	—	—	—	—	—	34,059	—	34,059
Acquisition of a subsidiary (note 18)	—	—	—	—	—	—	—	—	943	943
At 31 December 2025 (unaudited)	56,287	1,244,970	5,407	76	—	31,870	(918,203)	420,407	12,932	433,339

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2025

	Six months ended 31 December	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(6,556)	(1,213)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	367	—
Purchases of property, plant and equipment	(577)	(927)
Purchase of investments at fair value through profit or loss	(1,424)	—
Proceeds from disposals of investment properties	4,583	—
Net cash generated from/(used in) investing activities	2,949	(927)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings raised	1,080	21,080
Repayment of borrowings	(4,117)	(21,407)
Repayment of lease liabilities and interests	(978)	(1,180)
Proceeds from issue of shares	34,059	—
Net cash generated from/(used in) financing activities	30,044	(1,507)
Net increase/(decrease) in cash and cash equivalents	26,437	(3,647)
Effect of foreign exchange rate changes	64	(76)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(3,016)	20,349
CASH AND CASH EQUIVALENTS AT END OF PERIOD	23,485	16,626
ANALYSIS OF CASH AND CASH EQUIVALENTS		
— Bank and cash balances	23,485	21,501
— Bank overdrafts	—	(4,999)
— Bank and cash balances classified as held for sale	—	124
	23,485	16,626

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

1. GENERAL INFORMATION

China Environmental Resources Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Uglan House, Grand Cayman, KY1-1104 Cayman Islands. The address of its principal place of business is Room 2608, 26/F, Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Singapore Exchange Limited.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2025 are trading of recycled metals, trading of motor vehicles and related accessories, car parking spaces rental, provision of financial services, provision of finance lease services, securities trading and investment and sales and distribution of plantation products, environmental systems and plantation materials.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) which is the Group’s presentation currency and the functional currency of the Company.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting period beginning on 1 July 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the condensed consolidated financial statements and amounts reported for the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

3. BASIS OF PREPARATION

Going concern basis

The Group incurred an operating cash outflow of approximately HK\$6,556,000 for the six months ended 31 December 2025. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have been undertaking the following plans and measures to improve the Group's liquidity and financial position:

- (i) An executive director who is also the chairman, chief executive officer and substantial shareholder of the Company has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due, so that the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the next twelve months from 31 December 2025;
- (ii) The Group entered into a banking facility letter with a bank. As at 31 December 2025, the Group had undrawn banking facility of HK\$20,000,000. The Group will negotiate with the bank for renewal of the banking facility when it falls due;
- (iii) The Group shall continue to implement measures aiming at improving the working capital and cash flows of the Group, including but not limited to the implementation of cost-saving measures to maintain adequate cash flows for the Group's operations; and
- (iv) The directors have carried out a detailed review of the cash flow forecast of the Group prepared by the management of the Company covering a period of not less than twelve months from 31 December 2025, after taking into account the impact of the above-mentioned plans and measures. Accordingly, the directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from 31 December 2025.

The directors of the Company are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

3. BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the HKICPA and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 30 June 2025.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The application of these new and revised HKFRS Accounting Standards will not have a material impact on the condensed consolidated financial statements of the Group.

4. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group’s policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

4. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 31 December 2025:

Description	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Recurring fair value measurements:				
Biological assets	—	189,210	—	189,210
Investments at fair value through profit or loss				
— Equity securities listed in Hong Kong	1,545	—	—	1,545
Investment properties in Hong Kong	—	160,000	—	160,000
Investment properties in the People's Republic of China (the "PRC")	—	76,514	—	76,514
Total recurring fair value measurements	1,545	425,724	—	427,269

Disclosures of level in fair value hierarchy at 30 June 2025:

Description	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)
Recurring fair value measurements:				
Biological assets	—	189,080	—	189,080
Investments at fair value through profit or loss				
— Equity securities listed in Hong Kong	140	—	—	140
Investment properties in Hong Kong	—	170,000	—	170,000
Investment properties in the PRC	—	55,819	—	55,819
Total recurring fair value measurements	140	414,899	—	415,039

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

4. FAIR VALUE MEASUREMENTS (Continued)

- (b) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Group's management is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes. The management reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the management and the board of directors at least twice a year.

The following table gives information about how the fair values of the Group's biological assets and investment properties carried at fair value are determined.

Level 2 fair value measurements

Description	Valuation technique	Key input	Fair value as at	Fair value as at
			31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Biological assets	Market approach	Volume of poplar trees and market price of poplar trees per cubic meter	189,210	189,080
Investment properties in Hong Kong	Direct comparison approach	Market price of car parking space	160,000	170,000
Investment properties in the PRC	Market approach and replacement cost approach	Land: market price per square meter; Buildings: replacement cost per square meter	76,514	55,819

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION

The Group's revenue mainly represents sales of recycled metals and motor vehicles and related accessories, loan interest income, rental income from car parking spaces and provision of finance lease services.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include finance costs and income tax credit. Segment assets do not include goodwill and refundable secured deposit. Segment liabilities do not include deferred tax liabilities, borrowings and bank overdrafts.

Information about reportable segment revenue, profit or loss, assets and liabilities:

	Trading of motor vehicles		Property investment	Provision of financial services	Securities trading and investment	Sales of plantation materials and products		Provision of finance lease services	Others	Total
	recycled metals	and related accessories				HK\$'000	HK\$'000			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
For the six months ended 31 December 2025										
Revenue from external customers	114	22,466	1,912	168	—	—	2,505	86	27,251	
Segment (loss)/profit comprising:	(15)	292	24,705	65	(23)	(2,351)	1,867	57	24,597	
Loss arising from changes in fair value less costs to sell of biological assets	—	—	—	—	—	(2,329)	—	—	(2,329)	
Depreciation and amortisation	—	(272)	—	(343)	—	(2,301)	—	—	(2,916)	
Net unrealised loss on listed securities	—	—	—	—	(18)	—	—	—	(18)	
Fair value gain on investment properties	—	—	12,606	—	—	—	—	—	12,606	
Gain on disposal of investment properties	—	—	1,646	—	—	—	—	—	1,646	
Reversal of/(provision for) impairment loss of receivables	—	—	—	361	—	—	(413)	—	(52)	
At 31 December 2025										
Segment assets (unaudited)	10,581	59,184	241,903	8,468	1,559	249,813	38,830	—	610,338	
Segment liabilities (unaudited)	498	10,828	7,833	541	2,705	1,842	47,064	—	71,311	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

	Trading of recycled metals HK\$'000 (Unaudited)	Trading of motor vehicles and related accessories HK\$'000 (Unaudited)	Property investment HK\$'000 (Unaudited)	Provision of financial services HK\$'000 (Unaudited)	Securities trading and investment HK\$'000 (Unaudited)	Sales of plantation materials and products HK\$'000 (Unaudited)	Provision of finance lease services HK\$'000 (Unaudited)	Others HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
For the six months ended									
31 December 2024									
Revenue from external customers	2,831	22,507	1,767	191	—	—	2,420	83	29,799
Segment (loss)/profit comprising:	(422)	712	2,492	(256)	267	(8,957)	2,204	58	(3,902)
Loss arising from changes in fair value									
less costs to sell of biological assets	—	—	—	—	—	(6,654)	—	—	(6,654)
Depreciation and amortisation	—	(310)	(1)	(343)	—	(2,281)	—	—	(2,935)
Proceeds from disposal of listed securities	—	—	—	—	5,033	—	—	—	5,033
Costs of disposal of listed securities	—	—	—	—	(4,823)	—	—	—	(4,823)
Net unrealised gain on listed securities	—	—	—	—	75	—	—	—	75
Fair value gain on investment properties	—	—	1,335	—	—	—	—	—	1,335
At 30 June 2025									
Segment assets (audited)	—	61,364	226,585	8,708	153	251,225	38,075	—	586,110
Segment liabilities (audited)	85	13,707	7,424	997	467	1,818	47,362	—	71,860

Reconciliations of reportable segment profit or loss:

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Total profit/(loss) of reportable segments	24,597	(3,902)
Other profit or loss:		
— Finance costs	(2,758)	(2,963)
— Income tax credit	1,039	2,121
Corporate and unallocated loss	(8,609)	(11,810)
Consolidated profit/(loss) for the period	14,269	(16,554)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers

	Six months ended 31 December 2025			
	Trading of recycled metals HK\$'000 (Unaudited)	Trading of vehicles and related accessories HK\$'000 (Unaudited)	Trading of computer accessories HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Geographical markets				
The PRC	114	—	—	114
Hong Kong	—	22,466	86	22,552
	114	22,466	86	22,666
Timing of revenue recognition				
At a point in time	114	22,466	13	22,593
Over time	—	—	73	73
	114	22,466	86	22,666

	Six months ended 31 December 2024			
	Trading of recycled metals HK\$'000 (Unaudited)	Trading of vehicles and related accessories HK\$'000 (Unaudited)	Trading of computer accessories HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Geographical markets				
The PRC	—	3,512	—	3,512
Hong Kong	2,831	18,145	83	21,059
Macau	—	9	—	9
Taiwan	—	30	—	30
United Kingdom	—	811	—	811
	2,831	22,507	83	25,421

During the six months ended 31 December 2024, all revenue from contracts with customers is recognised at a point in time.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

6. FINANCE COSTS

	Six months ended 31 December	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest on leases	962	1,033
Interest on bank loans	1,255	1,730
Interest on bank overdrafts	130	166
Interest on other loans	411	34
	2,758	2,963

7. INCOME TAX CREDIT

	Six months ended 31 December	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current tax — Hong Kong Profits Tax	119	108
Current tax — PRC Enterprise Income Tax	—	4
Deferred tax	(1,158)	(2,233)
Income tax credit	(1,039)	(2,121)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

7. INCOME TAX CREDIT (Continued)

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5% (six months ended 31 December 2024: same).

Profits of the group entities established in the PRC will be taxed at the PRC Enterprise Income Tax rate of 25% (six months ended 31 December 2024: 25%).

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$8,948,000 (six months ended 31 December 2024: loss for the period attributable to owners of the Company of approximately HK\$15,188,000) and the weighted average number of ordinary shares of 500,850,668 (six months ended 31 December 2024: 488,769,147) in issue during the period.

Diluted earnings/(loss) per share

The effects of all potential ordinary shares are anti-dilutive for the six months ended 31 December 2025 and 2024.

9. INTERIM DIVIDENDS

The directors have resolved not to declare an interim dividend for the six months ended 31 December 2025 (six months ended 31 December 2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2025, the Group's property, plant and equipment increased by approximately HK\$1,487,000, which was primarily attributable to the acquisition of a subsidiary.

11. TRADE AND OTHER RECEIVABLES

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Trade receivables	22,308	25,563
Less: provision for impairment loss of trade receivables	(1,188)	(1,188)
	21,120	24,375
Prepayments, deposits and other receivables	23,177	21,805
Less: provision for impairment loss of prepayments, deposits and other receivables	(205)	(205)
	22,972	21,600
Total	44,092	45,975

The movement in provision for impairment of trade receivables is as follows:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Balance at beginning of period/year	1,188	8,884
Impairment loss recognised	—	498
Eliminated on deregistration of a subsidiary	—	(8,194)
Balance at end of period/year	1,188	1,188

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

11. TRADE AND OTHER RECEIVABLES (Continued)

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 (30 June 2025: 30 to 90) days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
0–90 days	7,723	14,719
91–180 days	5,033	5,540
181–360 days	4,322	2,884
Over 360 days	4,042	1,232
	21,120	24,375

Impaired trade receivables were mainly due from customers with long outstanding balances and the management of the Group considered that the recoverability was remote as the related customers were in financial difficulties or had prolonged delay in repayment. The Group did not hold any material collateral over those balances.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

12. LOANS RECEIVABLE

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Loans receivable	15,551	15,810
Less: provision for impairment loss of loans receivable	(7,944)	(8,305)
	7,607	7,505
Loan receivable, secured	254	315
Loans receivable, unsecured	5,000	5,000
Loan interests receivable, secured	12	13
Loan interests receivable, unsecured	2,341	2,177
	7,607	7,505
Analysed as:		
Current assets	7,607	7,505

The loans granted are interest bearing at 6.5%–12% (30 June 2025: 6.5%–12%) per annum. The loan period is generally 12 to 36 (30 June 2025: 12 to 36) months. Loans receivable of approximately HK\$254,000 (30 June 2025: HK\$315,000) are secured by watches (30 June 2025: watches). The directors of the Company monitor the collectibility of the loans receivable closely with reference to their respective current creditworthiness and repayment records.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

12. LOANS RECEIVABLE (Continued)

The aging analysis of these loans and interests receivable, based on loan commencement or renewal date set out in the relevant contracts, and net of allowance, is as follows:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
181–360 days	—	7,177
Over 360 days	7,607	328
	7,607	7,505

The movement in provision for impairment of loans receivable is as follows:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Balance at beginning of period/year	8,305	8,323
Reversal of impairment loss	(361)	(18)
Balance at end of period/year	7,944	8,305

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

13. FINANCE LEASE RECEIVABLES

	Lease payments		Present value of lease payments	
	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Less than 1 year	7,900	6,804	2,959	741
Between 1 and 2 years	6,762	6,060	2,105	2,309
Between 2 and 3 years	4,793	5,591	284	1,042
Between 3 and 4 years	5,080	4,936	631	452
Between 4 and 5 years	5,080	5,080	717	673
Over 5 years	61,642	64,182	33,642	34,012
	91,257	92,653	40,338	39,229
Less: Unearned finance income	(50,919)	(53,424)		
Present value of lease payments	40,338	39,229		
Less: Impairment loss recognised	(2,356)	(1,943)	(2,356)	(1,943)
	37,982	37,286		
Less: Amount within 12 months (shown under current assets)			(2,084)	(625)
Amount receivable after 12 months			35,898	36,661

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

13. FINANCE LEASE RECEIVABLES (Continued)

The Group leases out its hotel business under a finance lease. The lease is on a fixed repayment basis and no arrangements have been entered into for variable lease payments.

Disclosures of finance lease-related items:

	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Six months ended 31 December		
Finance income on net investment in the lease	2,505	2,420
Significant changes in net investment in the lease		
— Decrease due to repayments	2,037	2,037

14. REFUNDABLE SECURED DEPOSIT

The Group entered into a sale and purchase agreement and a supplemental agreement on 27 November 2013 and 16 December 2013, respectively, with an independent third party in relation to the acquisition of 100% equity interest of a target company and its subsidiaries which are mainly engaged in hotel operations in the PRC (the "Proposed Acquisition"). On 23 December 2013, an amount of HK\$150,000,000 was paid by the Group as refundable deposit. The refundable deposit was charged over the entire issued share capital of a Hong Kong subsidiary of the target company and was classified as secured deposit for acquisition of subsidiaries as at 30 June 2014.

According to the Company's announcement dated 28 October 2014, the Group and the vendor entered into a termination agreement to terminate the Proposed Acquisition because certain conditions precedent of the Proposed Acquisition were not satisfied. Pursuant to the termination agreement, the Group and the vendor agreed that the refundable deposit shall be refunded to the Group by three installments including HK\$60,000,000; HK\$45,000,000; and HK\$45,000,000, repayable on 10 November 2014, 27 January 2015 and 27 April 2015, respectively. The first installment of HK\$60,000,000 was received by the Company on 7 November 2014.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

14. REFUNDABLE SECURED DEPOSIT (Continued)

According to the Company's announcement dated 18 June 2015, the Group and the vendor entered into a supplemental termination agreement to amend certain terms of the termination agreement relating to the refund of the remaining refundable deposit. Pursuant to the supplemental termination agreement, the Group and the vendor have agreed that the remaining refundable deposit shall be refunded to the Group by two installments including HK\$20,000,000 and HK\$70,000,000, together with interest as calculated at 5% per annum, repayable on 18 June 2015 and 19 November 2015, respectively. The second installment of HK\$20,000,000 together with interest was received by the Group on 18 June 2015. During the year ended 30 June 2018, the Group received deposit refund of HK\$58,000,000 together with interest income of HK\$2,000,000. The deposit of HK\$12,000,000 was overdue as at 30 June 2021. On 23 August 2021, the Group and the vendor entered into an agreement for the settlement of the remaining refundable deposit of HK\$12,000,000. Pursuant to the agreement, the vendor shall pay HK\$1,000,000 and HK\$11,000,000 with interest as calculated at 1% per annum within 14 days and 24 months, respectively, from the date of agreement signed. During the year ended 30 June 2022, deposit of HK\$1,000,000 was refunded to the Group. The outstanding amount of HK\$11,000,000 (together with the accrued interest) was overdue on 22 August 2023. The board of directors of the Company decided not to extend the settlement date. In 2023, the Company engaged a Hong Kong solicitors' firm to commence legal proceedings against the vendor and the target company (the "Defendants"). In July 2024, an application for default judgment was lodged against the Defendants to the Court of First Instance of the High Court of Hong Kong (the "Court") for approval. In September 2024, the Court made the final and interlocutory judgment and ordered the Defendants to pay the Group, among others, HK\$11,000,000 together with the accrued interest, costs associated with relevant legal documents and due diligence under the proposed acquisition and its subsequent termination, and costs of this action to be summarily assessed. The Company is formulating steps to enforce the Court judgement against the Defendants.

The directors of the Company are of the opinion that no provision for impairment loss is necessary in respect of this balance as the Group obtains collateral from the vendor of which the estimated value is sufficient to cover the outstanding amount in case of default.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

15. TRADE AND OTHER PAYABLES

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Trade payables	6,595	7,080
Other payables and accruals	22,211	23,659
Consideration payable	9,938	—
Receipt of deposits for disposal of assets classified as held for sale	—	11,800
	38,744	42,539

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
0–90 days	3,599	5,446
91–180 days	1,218	158
181–360 days	371	84
Over 360 days	1,407	1,392
	6,595	7,080

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

16. SHARE CAPITAL

	As at 31 December 2025 HK\$'000 (Unaudited)	As at 30 June 2025 HK\$'000 (Audited)
Authorised: 3,000,000,000 ordinary shares of HK\$0.1 each	300,000	300,000
Issued and fully paid: 562,869,147 ordinary shares of HK\$0.1 each (At 30 June 2025: 488,769,147 ordinary shares of HK\$0.1 each)	56,287	48,877

A summary of the movements in the issued share capital of the Company is as follows:

	Number of shares issued	Amount HK\$'000
At 1 July 2024, 30 June 2025 and 1 July 2025 (audited)	488,769,147	48,877
Issue of shares on placement (note (a))	74,100,000	7,410
At 31 December 2025 (unaudited)	562,869,147	56,287

Note:

- (a) On 4 and 7 November 2025, the Company entered into a placing agreement and a supplemental agreement respectively with a placing agent in respect of the placement of total 74,100,000 ordinary shares of HK\$0.1 each to independent investors at a price of HK\$0.468 per share. The placement was completed on 2 December 2025 and the premium on the issue of shares, amounting to approximately HK\$26,649,000, net of share issue expenses of HK\$620,000, was credited to the Company's share premium account.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

17. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances disclosed elsewhere in the condensed consolidated interim financial statements, during the period, the Group entered into the following material related party transactions.

	Six months ended 31 December	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Sales to a related company (note (i))	2	96

Note:

- (i) Goods were sold to a company of which the director is the spouse of a director of the Company's subsidiary.

(b) Key management personnel remuneration

	Six months ended 31 December	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Directors' remuneration	3,461	3,501

18. ACQUISITION OF A SUBSIDIARY

Reference is made to the announcement of the Company dated 12 December 2025. On 16 December 2025, the Group acquired 90% of the issued share capital of 四川源萊順再生資源有限公司 (“源萊順再生資源”) for a cash consideration of HK\$9,937,980. 源萊順再生資源 was engaged in processing and trading of recycled metals during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

18. ACQUISITION OF A SUBSIDIARY (Continued)

The fair value of the identifiable assets and liabilities of 源萊順再生資源 acquired as at its date of acquisition is as follows:

Net assets acquired:	HK\$'000 (unaudited)
Property, plant and equipment	955
Inventories	7,959
Trade and other receivables	1
Bank and cash balances	367
Deferred tax assets	207
Trade and other payables	(64)
Non-controlling interest	(943)
	8,482
Goodwill	1,456
Satisfied by:	
Consideration payable	9,938
Net cash inflow arising on acquisition:	
Cash consideration paid	—
Cash and cash equivalents acquired	367
	367

The goodwill arising on the acquisition of 源萊順再生資源 is attributable to the anticipated profitability of the distribution of the recycled metals in the PRC markets and the anticipated future operating synergies from the combination.

源萊順再生資源 contributed approximately HK\$11,000 to the Group's profit for the period commencing from the date of completion of acquisition to the end of the reporting period.

There are no significant changes to the Group's revenue and profit for the period if the acquisition had been completed on 1 July 2025.

19. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 February 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 31 December 2025 (2024: Nil).

Business and Operation Review

The Group is currently engaged in metal recycle business, motor and motor accessories business, car parking spaces rental and securities trading and investment business. The Group also maintains the green businesses of research, development and application of technologies and solutions, manufacture, sale and trading of products, materials, systems and services for green market segments including the environmental markets, agricultural markets, organic markets and green technology markets in the People's Republic of China (the "PRC") and overseas. The Group also has a hotel leasing business in Nepal. The Group has been continuing to explore new business opportunities for corporate development and is dedicated to developing sustainable current business.

The Group through a wholly owned subsidiary maintains timber-cutting rights over a plantation land of 30,000 mu located at Shihezi City, Xinjiang. As at 31 December 2025, fair value of the biological asset was valued at approximately HK\$189,210,000 (30 June 2025: approximately HK\$189,080,000). The increase in value is mainly due to increase in the volume of poplar tree timber and value of Renminbi. The fair value increase is non-cash nature and does not have an effect on cash flow and business operation of the Group. The Group maintains a cautious approach to find the best possible use of the biological asset and will meticulously evaluate its actual economic return before making any investment decision.

Fair value of the industrial land and buildings at Longchuanzhou, Renzhou Village, Shatian, Dongguan City was valued as at 31 December 2025 at approximately HK\$76,514,000 (30 June 2025: approximately HK\$55,819,000).

The intended sale of such asset was terminated as the purchaser failed to proceed with completion by 11 August 2025. The Company exercised its right to forfeit the deposit in an aggregate amount of HK\$11.8 million.

The car parking spaces located at Kennedy Town, Hong Kong continued to generate a stable income for the Group. As at 31 December 2025, its fair value was valued at approximately HK\$160,000,000 (30 June 2025: approximately HK\$170,000,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Metal Recycle Business

As mentioned in the 2025 Annual Report, the Group had slowed down substantially efforts and spending in the local metal recycle business.

During the course of exploring new business opportunities, the Group identified 源萊順再生資源 and penetrated into the PRC metal and rare earth resources recycling business through an acquisition of 源萊順再生資源 (for details please refer to the section headed “Major Acquisition and Disposal” in this interim report).

Through this acquisition, the Group leaped into the industry of recycling of renewable and recyclable resources from new energy motorcycles moving beyond the scrap metal from the traditional construction industry.

Although the contribution from 源萊順再生資源 is not significant at its initial and short stage, we see its potential and shall allocate more resources in the green business to cope with the market need.

For the six months ended 31 December 2025, the Group recorded revenue from metal recycle business of approximately HK\$114,000 (2024: approximately HK\$2,831,000).

Motor and Motor Accessories Business

The Group has two segments of business, namely sale of car and motorcycle and sale of motor accessories. On the sale of car and motorcycle segment, we still focus on the disposal of inventories. In view of the downturn of the consumption market, especially the high end market, we are adopting a much more flexible pricing approach to test the level of acceptance.

On the sale of car, facing the shift of demand from traditional fuel car to electric car and from high end market to family use market, the market of fuel car suffered a severe blow. We have taken price reduction strategy to stimulate the sale of motor vehicle and motorcycle and withheld from placing new orders with the BAC Mono manufacturer.

MANAGEMENT DISCUSSION AND ANALYSIS

On the sale of motor accessories, the Pirelli supplier has now paid more attention to the Asia markets. The models of tyres which the Group had requested for had been planned. However, consumer confidence in Asia continued to hover at all-time lows. More and more motor vehicle owners prolonged tyre's maintenance or shifted to use lower tier tyres with cheaper price. Pirelli motor tyres products are tended to be motor sport use, higher performance and more road safer oriented but with relatively lower usage mileage and, as a result, become less competitive in the mass market when economic is in a downturn environment.

For the six months ended 31 December 2025, revenue from motor and motor accessories business was approximately HK\$22,466,000 (2024: approximately HK\$22,507,000).

Investment Properties

No business activity was conducted in relation to the industrial buildings located in the PRC.

On 8 June 2023, an ordinary resolution was passed at an extraordinary general meeting of shareholders in relation to the disposal of all 80% interest of the investment property in the PRC, whereby a deposit of HK\$11,800,000 has been received and the balance of HK\$47,200,000 shall be received upon completion.

On 5 December 2023, the Company, the Purchaser and the Disposal Company have entered into a supplemental agreement to the SPA (the "Supplemental Agreement"), pursuant to which the parties thereto mutually agreed that:

- (1) the Completion Date is extended and shall be a business day on or before 9 December 2024; and
- (2) an aggregate amount of HK\$11,800,000 (the "Deposits") being the first and second instalments of the Transaction Consideration which had been paid by the Purchaser, or any part thereof shall in no circumstances be refunded or refundable to the Purchaser and the Purchaser irrevocably waives and abandons his rights to claim or recover the Deposits or any part thereof under any provisions of the SPA or the laws.

To allow additional time for the Purchaser to look into the matters in relation to the Resumption Action, on 3 January 2025 (after trading hours), the parties to the SPA have entered into the second supplemental agreement to the SPA (the "Second Supplemental Agreement"), pursuant to which the parties thereto mutually acknowledged and agreed that:

- (i) the Completion Date is extended and shall be a business day on or before 11 August 2025;

MANAGEMENT DISCUSSION AND ANALYSIS

- (ii) the conditions (a), (b) and (c) precedent under the SPA (as set out in the section headed “Letter from the Board — The SPA — Conditions precedent” in the circular dated 17 May 2023) have been fulfilled, and shall, for all purposes and intents, be deemed to have been fulfilled upon the signing of the Second Supplemental Agreement up to Completion; and
- (iii) the Vendor has disclosed the updated situation of the Resumption Action and the conditions of the buildings at the Property in the Response Letter and the Purchaser: (a) shall at the Completion accept the state and condition of the Property on an “as it shall be basis”; and (b) absolutely waives, releases and discharges the Vendor from the terms of or its obligations under the SPA, including specifically the warranties therein contained, in relation to the Property, which shall be otherwise enforceable against the Vendor as a result of any action that the Government Authorities had taken or, up to the Completion, may take against the Property, including but not limited to, the Resumption Action or requiring further changes to the state of the buildings at the Property as if such terms or obligations were not contained in the SPA.

On or before 11 August 2025 (the “Completion Date”), as the Purchaser failed to proceed with Completion by 11 August 2025, the solicitors acting on behalf of the Company served a notice of termination to the Purchaser’s solicitors on 11 August 2025 to terminate the SPA (as supplemented and amended by the Supplemental Agreement and the Second Supplemental Agreement, collectively the “Supplemental Agreements”). The Company exercised its right to forfeit the Deposits in an aggregate amount of HK\$11.8 million absolutely as agreed liquidated damages pursuant to the SPA (as supplemented and amended by the Supplemental Agreements).

For details, please refer to the announcements dated 31 March 2023, 2 May 2023, 5 December 2023, 9 December 2024, 23 December 2024, 3 January 2025 and 11 August 2025.

We first reported in our 2022 Annual Report that a new town zoning plan affecting our industrial properties was proposed by the Dongguan City government authority. The new town zoning plan has been concluded and confirmed. An area of approximately 3,917 sq.m., representing 5.41% of the area of our industrial properties, was resumed by the Dongguan City government authority. A compensation of approximately RMB4.1 million was paid and received during the six months ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The car parking spaces located in Hong Kong continued to provide a stable revenue and cash flow to the Group. For the six months ended 31 December 2025, rental income slightly increased to approximately HK\$1,912,000 (2024: approximately HK\$1,767,000).

Money Lending Business

The Company operated money lending business through a wholly-owned subsidiary of the Group, which held a money lender's license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group adopted money lending policies and procedures for handling and/or monitoring the money lending business in compliance with the Money Lenders Ordinance.

In view of increasing credit risk with minimal return and to better allocation of internal resource, the Group decided not to renew the money lender's license and will put more effort in existing Motor and Motor Accessories Business and Metal Recycle Business.

During the six months ended 31 December 2025, the Group recorded loan interest income of approximately HK\$168,000 (2024: approximately HK\$191,000) from granting loans to both corporate and individual clients. The outstanding principal amount of loan receivables net of provision of impairment loss as at 31 December 2025 was approximately HK\$5,254,000 (30 June 2025: approximately HK\$5,315,000). The Group did not recognize any impairment loss for the six months ended 31 December 2025 (2024: Nil).

Securities Trading and Investment Business

The Stock Exchange reported that 2025 was a year of exceptional momentum for Hong Kong financial markets. Its data showed record-breaking performance across primary and secondary markets, as a new generation of innovative companies went public in Hong Kong to fuel growth.

During the six months ended 31 December 2025, the Group did not actively participate in securities trading and investment business and will continue to adopt a cautious approach to manage risk and capture opportunities.

For the six months ended 31 December 2025, the Group recorded the net unrealized loss on listed securities of the invested stocks of approximately HK\$18,000 (2024: gain of approximately HK\$75,000).

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the Group held approximately HK\$1,545,000 investments at fair value through profit or loss of the invested stocks (30 June 2025: approximately HK\$140,000). Details of the investments are as follows:

Stock Name	Note	Stock Code	Place of incorporation	Net unrealized gain/(loss) on listed securities HK\$'000	Market value HK\$'000	Approximate percentage of investments at fair value through profit or loss	Approximate percentage to the net assets of the Group
						%	%
Wai Chun Group Holdings Ltd.	1	1013	Bermuda	(33)	106	6.9	0.02
Champion Technology Holdings Limited	2	0092	Bermuda	15	1,439	93.1	0.33
				(18)	1,545	100.0	0.35

Notes:

- Wai Chun Group Holdings Ltd is an investment holding company principally engaged in (i) general trading of chemicals; and (ii) sales and services provision of integration services of computer and communication systems, and design, consultation and production of information system software and management training services. No dividend was received for the period ended 31 December 2025. According to its latest published financial statements, it had net liabilities of approximately HK\$205,342,000 as at 30 September 2025.
- Champion Technology Holdings Ltd is an investment holding company mainly engaged in the renewable energy business. The Company operates through five segments. The Renewable Energy segment is mainly engaged in the design and sales of renewable energy products and solutions. The Smart City Solution Business segment is mainly engaged in the sale of business solution including software and hardware for construction site and related businesses. The Trading of Gasoil and Related Business segment is mainly engaged in the sales of gasoil and vessel charter. The Sales of Cultural Products segment is mainly engaged in the trading of cultural products. The Strategic Investments segment is mainly engaged in the financial assets at fair value through profit or loss. According to its latest published financial statements, it had net assets of approximately HK\$109,280,000 as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Green Technology

There was no revenue from the green technology for the six months ended 31 December 2025 (2024: Nil).

Plantation Sales Business

The Group has timber-cutting rights over the biological asset at Shihezi City, Xinjiang with which the Group is working prudently to find the best possible use of it. The Group would cautiously consider the actual economic return after gathering from time to time all relevant data and information and thoroughly studying all risks and uncertain factors before making any investment decision. For the six months ended 31 December 2025, there was no revenue generated from plantation sales business (2024: Nil).

Hotel Leasing Business

The boutique hotel at Kathmandu, Nepal operated under the name Waldo Hotel was able to generate steady income by contracting out its hotel business. For the six months ended 31 December 2025, the Group recorded revenue from hotel leasing business of approximately HK\$2,505,000 (2024: approximately HK\$2,420,000).

PROSPECTS

Geopolitics affects economy. It also affects commercial interests and decisions.

In 2025, geopolitics experienced unprecedented chaos and was characterised by a shift towards unmanageable decoupling, intense protectionism, high-stakes trade conflicts, a significant dismantling of established international rules, the escalation of interstate wars, and the mass adoption of AI as geopolitical tool. The return of Donald Trump to the U.S. presidency served as a primary catalyst, triggering extensive trade wars and a pivot towards transactional, isolationist foreign policies.

We shall not go into detail on each of the trends and transformations in 2025 geopolitics we described but would like to note an incident. In response to U.S. trade pressure, PRC weaponised its dominance over rare earth minerals, halting at the peak of the trade conflict exports of rare earth key components essential for the U.S. technology and defence sectors.

MANAGEMENT DISCUSSION AND ANALYSIS

The most important manufactured product using rare earth minerals is the permanent magnet. These magnets, primarily Neodymium-Iron-Boron (NdFeB), are considered the “vitamins of modern industry” and are essential for high performance motors and generators that cannot function efficiently without them. They are crucial and critical in sectors of electric vehicles, wind turbines, consumer electronics and defence systems. The global rare earth elements market is projected to grow from USD 3.88 billion in 2024 to USD 10.42 billion by 2035. As of late 2025, the supply of these minerals remains highly concentrated, with PRC controlling approximately 70% of mined production and nearly 90% of refined output.

Our acquisition of 源萊順再生資源 paves the way for the Group not only to the expand and diversify the existing metal recycling business but also open the door for the Group to look into business opportunities in the rare earth industry. Mr. Zheng Yangqing (曾陽慶), who is the beneficial owner of the vendor (源萊順稀土新材料有限公司) which sold us 90% shareholding of 源萊順再生資源, has been rooted in the rare earth industry for over 40 years and held in high regard. He remains in the management team of 源萊順再生資源 and is the representative of the minority shareholder. The Group is looking forward to learning from his valuable experience in the rare earth industry so as to better our business operations and developments of 源萊順再生資源 and have an informed knowledge when evaluating future investments opportunities, if arises, in the rare earth industry. However, taking into account of geopolitics are still turbulently unstable, the Group will maintain a cautious approach in investments.

FINANCIAL REVIEW

For the six months ended 31 December 2025, revenue of the Group decreased by 8.6% to approximately HK\$27,251,000 (2024: approximately HK\$29,799,000). The decrease in revenue was mainly due to the decrease in revenue in metal recycle business.

For the six months ended 31 December 2025, gross profit of the Group increased by approximately 1.8% to approximately HK\$6,525,000 (2024: approximately HK\$6,411,000). The increase in gross profit was mainly due to the increased rental income.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the six months ended 31 December 2025 increased to approximately HK\$14,269,000 (2024: loss of approximately HK\$16,554,000). The turnaround from loss to profit was mainly attributable to the combined effects of (i) decrease in revenue to approximately HK\$27,251,000 (2024: approximately HK\$29,799,000) but a slight increase in gross profit to approximately HK\$6,525,000 (2024: approximately HK\$6,411,000); (ii) increase in other income to approximately HK\$12,363,000 (2024: approximately HK\$1,149,000); (iii) increase in fair value gain on investment properties to approximately HK\$12,606,000 (2024: approximately HK\$1,335,000); (iv) decrease in loss arising from changes in fair value less costs to sell of biological assets to approximately HK\$2,329,000 (2024: approximately HK\$6,654,000); and (v) increase in gain on disposal of investment properties to approximately HK\$1,646,000 (2024: Nil) during the six months ended 31 December 2025.

For the six months ended 31 December 2025, basic and diluted earnings per share were 2 HK cents (2024: loss of 3 HK cents).

For the six months ended 31 December 2025, the finance costs were approximately HK\$2,758,000 (2024: approximately HK\$2,963,000).

Administrative expenses from operations for the six months ended 31 December 2025 decreased to approximately HK\$14,753,000 (2024: approximately HK\$18,238,000). It included major items such as amortisation of intangible assets of approximately HK\$2,301,000, legal and professional fee of approximately HK\$1,857,000, salaries and directors' emoluments of approximately HK\$6,511,000 and short-term lease expenses of approximately HK\$334,000.

Income tax credit was recorded at approximately HK\$1,039,000 (2024: approximately HK\$2,121,000).

Exchange gain on translating foreign operations was recorded at approximately HK\$3,483,000 (2024: loss of approximately HK\$2,446,000).

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the total assets of the Group were approximately HK\$647,260,000 (30 June 2025: approximately HK\$607,732,000), including cash and bank balances of approximately HK\$23,485,000 (30 June 2025: approximately HK\$1,920,000).

The Group's total borrowings as at 31 December 2025 were approximately HK\$60,122,000 (30 June 2025: HK\$68,099,000). The Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 13.9% as at 31 December 2025 (30 June 2025: 17.9%).

As at 31 December 2025, the Group's net assets amounted to approximately HK\$433,339,000 (30 June 2025: approximately HK\$380,585,000).

The directors of the Company are of the view that the Group has sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future.

CAPITAL COMMITMENT

As at 31 December 2025, there was no material capital commitment.

CAPITAL RAISING AND EXPENDITURE

On 4 November 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 64,100,000 Placing Shares at the Placing Price of HK\$0.468 per Placing Share to not less than six Placees who are professional, institutional, or other investors that are Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate.

On 7 November 2025 (after trading hours), the Company and the Placing Agent entered into a supplemental agreement to the Placing Agreement (the "Supplemental Agreement"), pursuant to which the maximum number of new Shares to be placed under the Placing Agreement has been increased from 64,100,000 Shares to 74,100,000 Shares (the "Revised Placing Shares").

MANAGEMENT DISCUSSION AND ANALYSIS

The Placing completed on 2 December 2025 in accordance with the terms and conditions of the Placing Agreement. A total of 74,100,000 Revised Placing Shares have been successfully placed by the Placing Agent to not less than six (6) Placees at the Placing Price of HK\$0.468 per Placing Share pursuant to the Placing Agreement.

The Revised Placing Shares were allotted and issued under the general mandate granted to the Directors pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 3 December 2024.

The net issue price per Revised Placing Share after deducting all related costs, fees, expenses and commission was approximately HK\$0.459 and the net proceeds from the Placing received by the Company were approximately HK\$34.06 million.

The aggregate nominal value of the Revised Placing Share under the Placing was HK\$7,410,000 based on par value of HK\$0.1 per Share.

The closing price was HK\$0.480 and HK\$0.485 per share as quoted on the Stock Exchange on 4 November 2025 and 7 November 2025 respectively, being the date of the placing agreement and supplemental placing agreement.

Through the Placing, the Company intended to reduce the interest burden amidst the high-interest rate cycle by repayment of interest-bearing debts so as to alleviate the financial pressure and improve the financial performance of the Group. The Board considered that the placing represents a good opportunity to raise immediate additional funds to strengthen the financial position of the Group, finance its working capital needs and financial obligations.

Details of the Placing are set out in the Company's announcements dated 4 November 2025, 7 November 2025, 18 November 2025, 19 November 2025 and 2 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

USE OF PROCEEDS

The gross proceeds and the actual net proceeds raised from the Placing amounted to approximately HK\$34.68 million and HK\$34.06 million respectively. As at 31 December 2025, the net proceeds have been utilized as follows:

	Intended use of net proceeds HK\$' million	Net proceeds utilized during the six months ended 31 December 2025 HK\$' million	Unutilized net proceeds as at 31 December 2025 HK\$' million
Repayment of loans	12.00	11.67	0.33
Development of existing recycle and motorcycle accessories business	10.00	3.37	6.63
Settlement of outstanding trade and other payables	5.00	2.58	2.42
General working capital	7.06	5.09	1.97
	34.06	22.71	11.35

SHARE CAPITAL

As at 31 December 2025, the total number of issued shares capital of the Company comprised 562,869,147 ordinary shares of HK\$0.1 each (30 June 2025: 488,769,147 ordinary shares of HK\$0.1 each).

MAJOR ACQUISITION AND DISPOSAL

On 12 December 2025, a wholly owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement (the "SPA") with the Vendors, to acquire 90% equity interest in 源萊順再生資源, a People's Republic of China incorporated company, at a consideration of RMB9,000,000. 源萊順再生資源 is principally engaged in the recycling of renewable and recyclable resources, with a focus on new energy motorcycle rear tyre components which generate reusable copper, aluminum, rubber and rare earth permanent magnets, and other ancillary business opportunities in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

In the opinion of the Directors, the Acquisition represents a strategic opportunity to enhance and extend the Group's metal recycling business by advancing into the high-quality and specialized area of rare earth material recycling, a sector with significant global prospects and development potential. The Acquisition provides the Group with a gateway to the rare earth business, enabling it to access high-quality rare earth magnetic materials, differentiate itself in competitive markets such as electric vehicles and green technologies.

The Directors are of the view that the Acquisition positions the Group to meet the increasing demand for advanced materials and innovative solutions across its diverse business segments, including metal recycling and green market applications.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2025, the Group had 36 (30 June 2025: 31) employees. The Group implements remuneration policy, bonus and share option scheme to ensure that its employees are remunerated on a performance-related basis within the general framework of the Group's remuneration.

CHARGES ON THE GROUP ASSETS

As at 31 December 2025, the bank loans of approximately HK\$56,971,000 were secured by (i) the car parking spaces with aggregate carrying amount of approximately HK\$160,000,000; (ii) a deed of assignment of rental income from the car parking spaces; and (iii) personal guarantee from a Director of the Company.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATE

The Group conducted most of its business in Pound Sterling, Euro, Renminbi, United States Dollar, Nepalese Rupee and Hong Kong Dollars for the six months ended 31 December 2025. The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in RMB. As at 31 December 2025, the Group had a minimal exposure to foreign currency risk as most of its business transactions were principally denominated in the respective functional currencies used by the respective group entities.

The Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 31 December 2025, the directors of the Company are not aware of any material contingent liabilities (30 June 2025: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions held by each Director and chief executive of the Company and their associates in shares, underlying shares or debentures of the Company or any of its associated corporation, if any, (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 of the Listing Rules were as follows:

Name of Director	Capacity in which interests are held	Number of shares/underlying shares held in the Company			Total interests as to% to the issued share capital as at 31 December 2025 (Note)
		Interests in shares	Interest under equity derivatives	Total interests	
Mr. Yeung Chi Hang	Beneficial owner	102,247,200	—	102,247,200	18.17%

Note: The percentage of shareholding was calculated on the basis of the Company's issued share capital of 562,869,147 shares as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors, chief executive of the Company or their respective associates had any other personal, family, corporate and other interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

MANAGEMENT DISCUSSION AND ANALYSIS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the following persons, other than Directors or chief executive of the Company, were interested or had short positions in more than 5% of shares and underlying shares of the Company or its subsidiaries according to the register required to be kept under section 336 of the SFO as follows:

Name of shareholders	Number of shares/underlying shares held in the Company				Total interest as to% to the issued share capital as at 31 December 2025 (Note 3)
	Personal Interest	Spouse Interest	Corporate Interest	Total interest	
Ocean Line Holdings Limited (note 1)	—	—	59,900,000	59,900,000	10.64%
Ms. Cheung Wai Fung (note 1)	2,902,400	—	59,900,000	62,802,400	11.16%
Mr. Kwai Sze Hoi (note 1)	—	2,902,400	59,900,000	62,802,400	11.16%
Mr. Zeng Yang Qing (note 2)	36,860,000	4,360,000	—	41,220,000	7.32%
Ms. Hu Ai Lian (note 2)	4,360,000	36,860,000	—	41,220,000	7.32%

Notes:

- (1) Ocean Line Holdings Limited (“Ocean Line”) holds 59,900,000 Shares and is owned as to 60% by Mr. Kwai Sze Hoi (“Mr. Kwai”) and 40% by Ms. Cheung Wai Fung (“Ms. Cheung”), the spouse of Mr. Kwai, who also holds personal interest in 2,902,400 Shares. By virtue of Part XV of the SFO, both Mr. Kwai and Ms. Cheung are deemed to be interested in an aggregate of 62,802,400 Shares, comprising (i) 59,900,000 Shares held by Ocean Line; and (ii) 2,902,400 Shares held by Ms. Cheung as at 31 December 2025.
- (2) By virtue of Part XV of the SFO, both Mr. Zeng Yang Qing (“Mr. Zeng”) and Ms. Hu Ai Lian (“Ms. Hu”) are deemed to be interested in an aggregate of 41,220,000 Shares, comprising (i) 36,860,000 Shares held by Mr. Zeng and 4,360,000 Shares held by Ms. Hu as at 31 December 2025.
- (3) The percentage of shareholding was calculated based on the Company’s issued share capital of 562,869,147 shares as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION SCHEME

The shareholders of the Company approved the adoption of a share option scheme on 11 November 2015 (the "2015 Share Option Scheme"). The purpose of the 2015 Share Option Scheme is to provide the Group with a flexible means of giving incentive to, rewarding, remunerating and/or providing benefits to the eligible persons and to provide the eligible persons with all opportunities to acquire a personal stake in the Group and to build common objectives of the Group and the eligible persons for the betterment of business and profitability of the Group and the Shareholders as a whole. The 2015 Share Option Scheme is valid and effective for a period of 10 years from its adoption.

An ordinary resolution was passed at the extraordinary general meeting held on 29 July 2016 to refresh the scheme mandate limit under the 2015 Share Option Scheme. Based on 1,697,138,114 shares then in issue of the Company as at the date of passing the said ordinary resolution, the Company could grant further options under the 2015 Share Option Scheme for subscription of up to a total of 169,713,811 shares, representing 10% of the then shares in issue of the Company as at the date of passing the said ordinary resolution.

An ordinary resolution was passed at the annual general meeting held on 11 December 2020 to refresh the scheme mandate limit under the 2015 Share Option Scheme. Based on 2,036,538,114 shares then in issue of the Company as at the date of passing the said ordinary resolution, the Company could grant further options under the 2015 Share Option Scheme for subscription of up to a total of 203,653,811 shares (before adjustment of share consolidation referred to below) and 40,730,762 shares (after adjustment of share consolidation referred to below), representing 10% of the shares in issue of the Company as at the date of passing the ordinary resolution and as at 1 July 2024 and 31 December 2024.

An ordinary resolution was passed at the extraordinary general meeting held on 5 April 2024 that every five shares of HK\$0.02 each were consolidated into one consolidated share of HK\$0.1 each effective on 9 April 2024 and the closing price of the Company's shares immediately before the date of grant of the options was HK\$0.202 and HK\$0.320 on 22 April 2016 and 5 June 2018, respectively and were adjusted to HK\$1.01 and HK\$1.60 respectively as a result of the share consolidation effective on 9 April 2024.

On 14 February 2025, options to subscribe for an aggregate of 15,894,252 shares of the Company were cancelled with the mutual agreements between the Company and each of the grantees.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 1 July 2025, there were no outstanding options. During the six months ended 31 December 2025, there were no options granted, exercised, cancelled, lapsed or outstanding.

As at 1 July 2025, the number of share options available for grant under the share option scheme was 40,730,762. The 2015 Share Option Scheme expired on 14 November, 2025 and no further options may be granted thereafter.

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

During the six months ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in the Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules") for the six months ended 31 December 2025, except the following deviation.

Code provision C.2.1 of the CG Code provides that the role of chairman of the board and chief executive should be separate and should not be performed by the same individual. This code provision also stipulates, inter alia, the roles and responsibilities of the chairman of the board and the chief executive.

Mr. Yeung Chi Hang was appointed as chairman of the Board and the chief executive officer of the Company on 27 January 2015. Thereafter, Mr. Yeung Chi Hang has assumed both roles.

The Directors were of the view that the vesting of the roles of chairman of the Board and chief executive officer in the same person can provide the Group with strong and consistent leadership and allow for more effective planning and execution of long-term business strategies, as well as ensuring effective oversight of management. The Directors were also of the view that the present structure was considered to be appropriate under the circumstances of the Company. The Board would continue to review its current board structure from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry, all directors of the Company confirmed that they have complied with the required standards set out in the Model Code for the six months ended 31 December 2025.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process, internal controls and risk management systems. It has formulated its written terms of reference in accordance with the Listing Rules. The audit committee of the Company has reviewed this interim report, including the unaudited interim financial results, for the six months ended 31 December 2025. The audit committee of the Company comprises three independent non-executive directors of the Company, namely Mr. Lee Chi Ho (Chairman), Mr. Heung Chee Hang, Eric and Ms. Lai Pik Chi, Peggy.

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Ms. Lai Pik Chi Peggy was appointed as an independent non-executive director of China Beidahuang Industry Group Holdings Limited (stock code: 39), the shares of which are listed on the Stock Exchange with effect from 15 October 2025.

Mr. Wong Po Keung was appointed as an independent non-executive director of Jiu Rong Holdings Limited (stock code: 2358), the shares of which are listed on the Stock Exchange with effect from 26 February 2026.

By Order of the Board
China Environmental Resources Group Limited
YEUNG CHI HANG
Chairman and Chief Executive Officer

Hong Kong, 27 February 2026