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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “Board”) of directors (the “Directors”) of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) hereby presented the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 (the “Current Period”) together with the comparative figures for the corresponding period in 2024 (the “Corresponding Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

| | <i>Notes</i> | Six months ended 30 June | |
|--------------------------|--------------|---------------------------------|--------------------|
| | | 2025 | 2024 |
| | | (Unaudited) | (Unaudited) |
| | | HK\$'000 | HK\$'000 |
| Revenue | 5 | | |
| Contracts with customers | | 37,212 | 43,857 |
| Leases | | 2,662 | 3,166 |
| | | <hr/> | <hr/> |
| Total revenue | | 39,874 | 47,023 |
| Cost of revenue | | (32,578) | (35,893) |
| | | <hr/> | <hr/> |
| Gross profit | | 7,296 | 11,130 |

| | | Six months ended 30 June | |
|---|----|---------------------------------|-------------------------|
| | | 2025 | 2024 |
| | | (Unaudited) | (Unaudited) |
| <i>Notes</i> | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Other income | 7 | 90 | 113 |
| Other gains and losses | 8 | (13,266) | (14,276) |
| Administrative expenses | | (16,190) | (21,863) |
| Impairment losses under expected credit loss (“ECL”) model | 9 | (559) | (2,655) |
| Share of results of associates | | (14,764) | (15,877) |
| Finance costs | 10 | (260) | (144) |
| Loss before taxation | | (37,653) | (43,572) |
| Income tax expense | 11 | – | (19) |
| Loss for the period | 12 | <u>(37,653)</u> | <u>(43,591)</u> |
| Other comprehensive income/(expense) | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Fair value changes on equity investment at fair value through other comprehensive income (“FVTOCI”) | | 6,046 | (6,300) |
| Share of other comprehensive expense of associates | | (1,584) | – |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange difference arising on translation to presentation currency | | 4,712 | (4,645) |
| Other comprehensive income/(expense) for the period, net of tax | | <u>9,174</u> | <u>(10,945)</u> |
| Total comprehensive expense for the period | | <u>(28,479)</u> | <u>(54,536)</u> |
| | | <i>HK\$ cent</i> | <i>HK\$ cent</i> |
| Loss per share attributable to owners of the Company | 14 | | |
| Basic and diluted | | <u>(2.23)</u> | <u>(2.58)</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

| | | 30 June 2025 (Unaudited) <i>HK\$'000</i> | 31 December 2024 (Audited) <i>HK\$'000</i> |
|--|--------------|---|---|
| | <i>Notes</i> | | |
| Non-current assets | | | |
| Property, plant and equipment | | 52,275 | 53,864 |
| Investment properties | | 96,461 | 110,695 |
| Goodwill | | 10,543 | 10,543 |
| Interests in associates | | 75,094 | 91,442 |
| Equity investments at FVTOCI | | 61,123 | 54,497 |
| Loan receivables | | – | 2,762 |
| Deposits paid | | 450 | 450 |
| | | <u>295,946</u> | <u>324,253</u> |
| Current assets | | | |
| Inventories | | 19,707 | 20,285 |
| Loan receivables | | 5,745 | 5,983 |
| Trade receivables | 15 | 7,736 | 9,303 |
| Other receivables, deposits and prepayments | 16 | 13,912 | 16,092 |
| Financial assets at fair value through profit or loss ("FVTPL") | | 1,421 | 3,244 |
| Tax recoverable | | 81 | 81 |
| Cash and cash equivalents | | 8,698 | 13,215 |
| | | <u>57,300</u> | <u>68,203</u> |
| Asset classified as held for sale | | 6,119 | – |
| | | <u>63,419</u> | <u>68,203</u> |

| | | 30 June 2025 (Unaudited) HK\$'000 | 31 December 2024 (Audited) HK\$'000 |
|--|--------------|--|--|
| | <i>Notes</i> | | |
| Current liabilities | | | |
| Trade and other payables | 17 | 20,638 | 24,354 |
| Lease liabilities | | 2,069 | 2,003 |
| Tax payables | | 19,032 | 19,032 |
| Borrowing | | 2,849 | 2,767 |
| | | 44,588 | 48,156 |
| Net current assets | | 18,831 | 20,047 |
| Total assets less current liabilities | | 314,777 | 344,300 |
| Non-current liabilities | | | |
| Deposits received | | 253 | 246 |
| Lease liabilities | | 2,122 | 3,173 |
| | | 2,375 | 3,419 |
| Net assets | | 312,402 | 340,881 |
| Capital and reserves | | | |
| Share capital | | 168,730 | 168,730 |
| Reserves | | 143,672 | 172,151 |
| Total equity | | 312,402 | 340,881 |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

The Company is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section on the 2025 interim report.

During the period, the principal activities of the Group were sale of daily necessities, medical, health and hygiene products, manufacturing and sale of food products and nutrient enhancers, trading of equity securities, investment in properties, investment holdings and money lending business in Hong Kong and the PRC.

2. BASIS OF PREPARATION

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

These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024. The accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2024 except those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2025. The Group has not early adopted any new or revised HKFRSs that has been issued but not yet effective in the current accounting period.

The preparation of these interim condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the interim financial statements and their effect are disclosed in note 4.

These interim condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand (“HK\$’000”), unless otherwise stated. These interim condensed consolidated financial statements contain interim condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. These interim condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) and should be read in conjunction with the 2024 annual financial statements.

3. ADOPTION OF AMENDMENTS TO HKFRSs

The HKICPA has issued a number of amended HKFRSs that are first effective for the current accounting period of the Group as follows:

HKAS 21 and HKFRS 1 *Amendments in relation to Lack of Exchangeability*

The amended HKFRSs that are effective from 1 January 2025 did not have any significant impact on the Group’s accounting policies.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2024 annual financial statements.

5. REVENUE

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

| | Six months ended 30 June | |
|---|---------------------------------|--------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| | HK\$’000 | HK\$’000 |
| Revenue from contracts with customers | | |
| Sale of | | |
| – Daily necessities, medical, health and hygiene products | 35,803 | 42,002 |
| – Food products and nutrient enhancers | 1,409 | 1,855 |
| | 37,212 | 43,857 |
| Leases | | |
| Rental income | 2,662 | 3,166 |
| Total revenue | 39,874 | 47,023 |

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

| | Six months ended 30 June | |
|---------------------------------------|--|--|
| | 2025 (Unaudited) HK\$'000 | 2024 (Unaudited) HK\$'000 |
| Geographical information: | | |
| The PRC | 1,409 | 1,855 |
| Hong Kong | 35,803 | 42,002 |
| | 37,212 | 43,857 |
| Timing of revenue recognition: | | |
| At a point in time | 37,212 | 43,857 |

Revenue for the sale of food products and nutrient enhancers and sales of daily necessities, medical, health and hygiene products is recognised at a point in time when customers obtain control of the goods, which occurs upon delivery and acceptance. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable within 0-60 days.

6. SEGMENT INFORMATION

Information reported to the executive Directors, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the nature of the operations of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 *Operating segments* are as follows:

| | |
|-------------------|--|
| Distribution | – sale of medical, health and hygiene products and daily necessities (“Distribution Segment”) |
| Manufacturing | – research and development, manufacturing and sale of food products, new food ingredients and nutritional enhancers in the PRC (“Manufacturing Segment”) |
| Investment | – investment properties in the PRC, investments in securities and money lending business in Hong Kong (“Investment Segment”) |
| Financial leasing | – provision of finance lease consulting services and financing services in the PRC through investment in an associate (“Financial Leasing Segment”) |

Financial Leasing Segment reflected the Group’s share of results from its associates, Beijing Ever Grand International Financial Leasing Co. Ltd. (“BJEG”) and its subsidiaries (“BJEG Group”) for the Corresponding Period. There was no such item under Financial Leasing Segment during the Current Period due to the occurrence of the Event (as defined in the note 3 to the consolidated financial statements for the year ended 31 December 2024).

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments.

| | Revenue | | Segment results | |
|--|--------------------------|---------------|-----------------|-----------------|
| | Six months ended 30 June | | | |
| | 2025 | 2024 | 2025 | 2024 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segments | | | | |
| Distribution | 35,803 | 42,002 | (1,792) | (887) |
| Manufacturing | 1,409 | 1,855 | (2,425) | (2,454) |
| Investment | 2,662 | 3,166 | (11,632) | (14,348) |
| Financial leasing | — | — | — | (15,553) |
| | <u>39,874</u> | <u>47,023</u> | (15,849) | (33,242) |
| Unallocated other income, gains and losses | | | (6) | (245) |
| Unallocated corporate expenses | | | (7,034) | (9,761) |
| Share of results of associates | | | <u>(14,764)</u> | <u>(324)</u> |
| Loss before taxation | | | <u>(37,653)</u> | <u>(43,572)</u> |

All of the segment revenues reported above are from external customers.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit earned or loss incurred by each segment without allocation of certain other income, certain other gains and losses, share of results of associates (except for BJEG Group) and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

| | Assets | | Liabilities | |
|-----------------------------|--|--|--|--|
| | 30 June 2025 (Unaudited) HK\$'000 | 31 December 2024 (Audited) HK\$'000 | 30 June 2025 (Unaudited) HK\$'000 | 31 December 2024 (Audited) HK\$'000 |
| Segments | | | | |
| Distribution | 42,250 | 46,567 | 4,556 | 7,315 |
| Manufacturing | 45,546 | 46,376 | 5,938 | 5,946 |
| Investment | 177,803 | 188,012 | 6,931 | 7,349 |
| | <u>265,599</u> | <u>280,955</u> | <u>17,425</u> | <u>20,610</u> |
| Interests in associates | 75,094 | 91,442 | – | – |
| Unallocated corporate items | 18,672 | 20,059 | 29,538 | 30,965 |
| | <u>359,365</u> | <u>392,456</u> | <u>46,963</u> | <u>51,575</u> |

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

- all assets are allocated to reportable and operating segments other than an office premise for administrative purpose, certain other receivables and certain cash and cash equivalents; and
- all liabilities are allocated to reportable and operating segments other than certain other payables and certain tax payables.

7. OTHER INCOME

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2025 (Unaudited) HK\$'000 | 2024 (Unaudited) HK\$'000 |
| Interest income from banks and non-bank financial institutions | 33 | 65 |
| Government subsidies | 54 | – |
| Sundry income | 3 | 48 |
| | <u>90</u> | <u>113</u> |

8. OTHER GAINS AND LOSSES

| | Six months ended 30 June | |
|--|--------------------------|-----------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Fair value changes on: | | |
| Financial assets at FVTPL | (1,823) | (871) |
| Investment properties | (10,876) | (12,991) |
| Net foreign exchange losses | (7) | (28) |
| Write-off of property, plant and equipment | – | (145) |
| Write-off of trade receivables | (31) | – |
| Write-off of inventories | (192) | (129) |
| Loss on remeasurement of asset classified as held for sale | (337) | – |
| Others | – | (112) |
| | <u>(13,266)</u> | <u>(14,276)</u> |

9. IMPAIRMENT LOSSES UNDER ECL MODEL

| | Six months ended 30 June | |
|----------------------------------|--------------------------|--------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Impairment losses recognised on: | | |
| Loan receivables | – | 1,400 |
| Other receivables | 559 | 1,255 |
| | <u>559</u> | <u>2,655</u> |

10. FINANCE COSTS

| | Six months ended 30 June | |
|-------------------|--------------------------|-------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Interests on: | | |
| Bank borrowing | 51 | 23 |
| Lease liabilities | 155 | 63 |
| Other loan | 54 | 58 |
| | <u>260</u> | <u>144</u> |

11. TAXATION

| | Six months ended 30 June | |
|--|--------------------------|------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Current tax – PRC Enterprise Income Tax | – | 22 |
| Over-provision in prior year – Hong Kong Profits Tax | – | (3) |
| | <u>–</u> | <u>(3)</u> |
| Income tax expense | <u><u>–</u></u> | <u><u>19</u></u> |

12. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

| | Six months ended 30 June | |
|---|--------------------------|---------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Depreciation of property, plant and equipment | 353 | 128 |
| Depreciation of right-of-use assets | <u>2,190</u> | <u>1,794</u> |
| Total depreciation | <u><u>2,543</u></u> | <u><u>1,922</u></u> |
| Cost of inventories sold (included in cost of revenue) | 32,578 | 35,893 |
| Staff costs (including directors' and chief executive's emoluments) | 8,349 | 11,154 |
| Short-term lease expenses | <u><u>194</u></u> | <u><u>591</u></u> |

13. DIVIDEND

The Board does not recommend payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

14. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

| | Six months ended 30 June | |
|--|--------------------------|------------------|
| | 2025 | 2024 |
| | (Unaudited) | (Unaudited) |
| | HK\$'000 | HK\$'000 |
| Loss | | |
| Loss for the period attributable to owners of the Company | <u>(37,653)</u> | <u>(43,591)</u> |
| | 2025 | 2024 |
| | '000 | '000 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | <u>1,687,303</u> | <u>1,687,303</u> |

The Company has no dilutive potential ordinary shares in issue during the current and prior period and, therefore, the diluted loss per share is the same as basic loss per share for the six months ended 30 June 2025 and 2024.

15. TRADE RECEIVABLES

| | 30 June | 31 December |
|--------------------------------|--------------|--------------|
| | 2025 | 2024 |
| | (Unaudited) | (Audited) |
| | HK\$'000 | HK\$'000 |
| Trade receivables | 7,910 | 9,760 |
| Less: allowance for impairment | <u>(174)</u> | <u>(457)</u> |
| Trade receivables, net | <u>7,736</u> | <u>9,303</u> |

The credit period granted to customers ranged from 0 to 60 days.

An ageing analysis of trade receivables net of impairment allowance as at the end of the reporting period, based on the invoice date, is as follows:

| | 30 June 2025 (Unaudited) HK\$'000 | 31 December 2024 (Audited) HK\$'000 |
|---------------|--|--|
| 0-30 days | 1,956 | 4,786 |
| 31-90 days | 3,097 | 2,499 |
| 91-270 days | 1,961 | 1,334 |
| Over 270 days | 722 | 684 |
| | <u>7,736</u> | <u>9,303</u> |

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | 30 June 2025 (Unaudited) HK\$'000 | 31 December 2024 (Audited) HK\$'000 |
|---|--|--|
| Other receivables | 11,709 | 12,589 |
| Prepayments | 1,179 | 1,552 |
| Prepayments for purchases of goods | 6,582 | 6,949 |
| Deposits | 641 | 642 |
| | <u>20,111</u> | <u>21,732</u> |
| <i>Less: Impairment allowance</i> | <u>(5,749)</u> | <u>(5,190)</u> |
| Total other receivables, deposits and prepayments | <u>14,362</u> | <u>16,542</u> |
| Analysed for reporting purposes: | | |
| Non-current assets | 450 | 450 |
| Current assets | <u>13,912</u> | <u>16,092</u> |
| | <u>14,362</u> | <u>16,542</u> |

17. TRADE AND OTHER PAYABLES

| | 30 June 2025 (Unaudited) HK\$'000 | 31 December 2024 (Audited) HK\$'000 |
|----------------------------------|--|--|
| Trade payables | 860 | 2,383 |
| Accruals | 6,300 | 8,050 |
| Receipts in advance | 5,099 | 6,658 |
| Deposit received (<i>Note</i>) | 1,380 | – |
| Other payables | 6,999 | 7,263 |
| | <u>20,638</u> | <u>24,354</u> |

Note:

The deposit of RMB1,259,000 (equivalent to HKD1,380,000) was received for the disposal of an investment property which was classified as held for sale as at the end of the reporting period.

Included in trade and other payables are trade creditors with the following ageing analysis, based on invoice dates, as at the end of reporting period:

| | 30 June 2025 (Unaudited) HK\$'000 | 31 December 2024 (Audited) HK\$'000 |
|---------------|--|--|
| 0-30 days | 293 | 705 |
| 31-90 days | 40 | 1,031 |
| 91-270 days | 1 | 136 |
| Over 270 days | 526 | 511 |
| | <u>860</u> | <u>2,383</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Current Period, the Group's revenue decreased by 15.2% to HK\$39.9 million as compared to that of HK\$47.0 million for the Corresponding Period. The Group's gross profit decreased by 34.4% to HK\$7.3 million for the Current Period as compared to that of HK\$11.1 million for the Corresponding Period. The Group's net loss decreased by 13.6% to HK\$37.7 million for the Current Period as compared to that of HK\$43.6 million for the Corresponding Period.

The Group operated three segments during the Current Period: Distribution Segment, Manufacturing Segment and Investment Segment in the PRC and Hong Kong.

Distribution Segment

The Distribution Segment includes production, wholesale, distribution and trading of daily necessities, medical products, health products and hygiene products in Hong Kong. Its revenue decreased by 14.8% to HK\$35.8 million in the Current Period as compared to that of HK\$42.0 million in the Corresponding Period. Such decrease was mainly due to (i) the recent underperformance of health and wellness products under our own brand continues to be impacted by changing consumption patterns among residents and visitors; and (ii) the supply of a traditional Chinese medical product by the manufacturer has reduced due to packaging changes as well as temporary suspension of trading from a connected supplier for completion of the CCT approval which lasted around two months. This segment recorded a net loss of HK\$1.8 million in the Current Period (Corresponding Period: HK\$0.9 million).

Manufacturing Segment

The Manufacturing Segment includes manufacturing of healthy food products such as instant noodles made of *Chlamydomonas Reinhardtii* and other nutrient enhancers. During the Current Period, it recorded revenue of HK\$1.4 million (Corresponding Period: HK\$1.9 million) and a net loss of HK\$2.4 million (Corresponding Period: HK\$2.5 million). This segment generated minimal sales and losses during the Current Period because of the cut throat competition in the China's food market and the difficulty to bring down the product costs due to limited scale of production.

Investment Segment

Revenue from the Investment Segment decreased by 15.9% to HK\$2.7 million in the Current Period as compared to that of HK\$3.2 million in the Corresponding Period, which was mainly attributable to early termination of lease by one tenant. This segment recorded a net loss of HK\$11.6 million in the Current Period (Corresponding Period: HK\$14.3 million). Such decrease in loss of HK\$2.7 million was mainly due to fair value loss on PRC investment properties that decreased from HK\$13.0 million for Corresponding Period to HK\$10.9 million for the Current Period. During the Current Period, the Group entered into an agreement with an independent third party to sell a property situated at Room 103, Block No. 6, No. 188 Xinjunhuan Road, Minhang District, Shanghai, the PRC at a consideration of RMB6,295,842 (equivalent to approximately HK\$6,844,000), completion of which will take place on or before 30 August 2025. This property was classified as assets held for sale as at 30 June 2025. Please refer to the Company's announcement dated 23 May 2025 for details of this disposal.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 15.2% to HK\$39.9 million for the Current Period as compared to that of HK\$47.0 million for the Corresponding Period, which was mainly attributable to the decrease in sales of daily necessities, medical products, health products and hygiene products in Hong Kong.

Gross profit

The Group's gross profit decreased by 34.4% to HK\$7.3 million for the Current Period as compared to that of HK\$11.1 million for the Corresponding Period. The gross profit margin dropped from 23.7% in the Corresponding Period to 18.3% in the Current Period, because of providing higher trade discounts to bulk buyers and rising costs for some products.

Other income

Other income of HK\$90,000 in the Current Period (Corresponding Period: HK\$113,000) was mainly from interest income from fixed bank deposits and receipt of one-off government subsidies in the PRC.

Other gains and losses

Other gains and losses in the Current Period were a net loss of HK\$13.3 million (Corresponding Period: HK\$14.3 million), mainly comprising of fair value losses on investment properties of HK\$10.9 million (Corresponding Period: HK\$13.0 million) and fair value losses on financial assets at FVTPL of HK\$1.8 million (Corresponding Period: HK\$0.9 million).

Administrative expenses

The Group's administrative expenses decreased by 25.9% to HK\$16.2 million for the Current Period as compared to that of HK\$21.9 million for the Corresponding Period. These mainly included staff costs (including directors and chief executive's emoluments) of HK\$8.3 million (Corresponding Period: HK\$11.2 million), legal and professional fees, depreciation of property, plant and equipment and various administrative expenses.

Share of associates' results

The share of results of associates amounted to a loss of HK\$14.8 million for the Current Period (Corresponding Period: HK\$15.9 million). During the Current Period, the Group shared a loss of Top Insight Limited of HK\$14.7 million (Corresponding Period: profit of HK\$0.8 million) and a loss of Simagi Finance Company Limited of HK\$34,000 (Corresponding Period: HK\$1.2 million). The Group shared a loss of BJEG Group of HK\$15.6 million during the Corresponding Period, whereas no such item due to the fact that it was no longer classified as an associate during the Current Period. Investment in BJEG Group was reclassified as equity investments at FVTOCI on 1 August 2024 due to loss of significant influence over BJEG on that date.

Loss for the period attributable to owners of the Company

During the Current Period, the Group recorded a net loss attributable to owners of the Company of HK\$37.7 million (Corresponding Period: HK\$43.6 million). Such decrease was mainly due to tighter control over administrative expenses.

FINANCIAL POSITION

The total assets of the Group as at 30 June 2025 amounted to HK\$359.4 million, representing a decrease of HK\$33.1 million or 8.4% as compared with HK\$392.5 million as at 31 December 2024. The decrease in total assets was mainly due to the fair value loss on investment properties in the PRC and the poor operating performance of associates in the Current Period. The total liabilities of the Group as at 30 June 2025 amounted to HK\$47.0 million, representing a decrease of HK\$4.6 million or 8.9% as compared with HK\$51.6 million as at 31 December 2024. The decrease in total liabilities was mainly due to decrease in trade and other payables.

The gearing ratios (which is calculated from total liabilities over total asset) as at 30 June 2025 remained at 13.1% (31 December 2024: 13.1%). The current ratios (which is calculated from total current assets over total current liabilities) as at 30 June 2025 remained at 1.4 (31 December 2024: 1.4).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$8.7 million, representing a decrease of HK\$4.5 million from HK\$13.2 million as at 31 December 2024. Such change was mainly attributable to the Group's net cash outflows for operating activities. As at 30 June 2025, the Group had short-term bank borrowing amounting to HK\$2.8 million (31 December 2024: HK\$2.8 million).

For the period under review, the Group has financed its operations with facilities provided by banks and other non-bank financial institutions and internally generated cash flows.

FOREIGN EXCHANGE EXPOSURE

In the both reporting periods, the Group had no material exposure to fluctuation in exchange rates in foreign currency as material transactions such as revenue and cost of sales were denominated in local currencies in which the relevant entities operated. The Group did not enter into any foreign exchange hedging transactions or instruments during both periods.

CREDIT EXPOSURE

The Group's major credit risk is primarily attributable to loan receivables. It is mostly derived from money lending services, namely the loan financing services carried out by TF Advances Limited in Hong Kong.

Any deterioration in collectability of the loan receivables could adversely affect the Group's business and financial conditions. In order to mitigate the credit risk, the Group has established proper policies and procedures to safeguard the Group's assets, details of which were set out on pages 10 to 13 under the section headed "CREDIT EXPOSURE" of the Company's 2024 annual report dated 26 March 2025.

As at 30 June 2025, the Group assessed the recoverability of certain loan receivables which was based on probability-weighted expected credit losses of multiple possible event model adopted in accordance with HKFRS 9, which involves 5 key parameters, namely (i) exposure at default; (ii) probability of default; (iii) loss given default or 100% minus recovery rate upon default; (iv) forward looking factor and (v) discount rate. Impairment losses under ECL model recognised during the reporting period are disclosed in note 9 to the condensed consolidated financial statements.

CHARGE OF ASSETS

As at 30 June 2025 and 31 December 2024, there was no charge on the asset.

CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2024, the Group had no significant contingent liabilities.

LITIGATION

With reference to the Company's announcements dated 13 September 2024, 20 December 2024 and 14 March 2025, the Group received a civil complaint from the PRC Court filed by BJEG against the Group in respect of, among others, unpaid registered capital of US\$22,610,000 by the Group. Based on a preliminary legal assessment from a PRC legal adviser, the Board is of the view that there is a credible legal basis to resolve the claims. The Group may also realise this investment when a suitable opportunity arises in order to clear up the uncertainties from the litigation and enhance the Group's financial position. In order to safeguard the interests of the Group, a legal case has also been filed with the PRC Court requesting the Court to order the judicial dissolution of BJEG.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had no capital commitment (31 December 2024: HK\$134,000 for the acquisition of property, plant and equipment).

PROSPECT

The Group primarily focuses on its operations in the PRC and Hong Kong, making the economic, political, and social aspects of these jurisdictions crucial to its overall performance. The Hong Kong economy expanded solidly in the first quarter of 2025, mainly supported by visible increases in exports of goods and services, as well as the resumption of moderate growth in overall investment expenditure. Yet, private consumption expenditure continued to register a modest decline.

Similarly, the PRC continues to grapple with weak domestic consumption and a persistently sluggish property market, although exports remain a promising driver of growth. The Sino-US geopolitical tensions and global protectionism pose substantial risks to China's economy. In response, the Chinese government has introduced various supportive measures, such as subsidies for replacing old electronic appliances and loosening fiscal policies, to counteract external threats, stimulate domestic demand and nurturing the high-end technology sector. These measures may present good opportunities amidst the uncertainties and the market turbulence.

The Distribution Segment aims to increase volume by diversifying products, expanding distribution channels, and broadening its customer base across various territories.

The Manufacturing Segment is now steadily operating a new production line for healthy instant noodles. These noodles incorporate Chlamydomonas Reinhardtii Nutrition Powder as a key ingredient. This segment has been carefully expanding its product varieties such as instant noodles with low GI certification already in the pipeline and enhancing market exposure for its proprietary brand of healthy noodles. Additionally, it has been actively working to diversify its range of nutrient enhancers that demonstrate resilience, even in a challenging economic climate. Part of the products will be sold through our own platform in the Distribution Segment.

In the Investment Segment, the Group adheres to a conservative strategy for its portfolio, which includes equity, debt, and real estate. With the robust risk management and control policies, the Group will closely assess its performance and optimise its composition. In light of the current property market in the PRC, the Group may offload some of real estate properties in the PRC in order to replenish the required liquidity of the Group and address the increasing market risk of the properties.

Looking forward to the second half of 2025, the Group remains committed to optimizing its business segments to enhance volume and profitability, with a pledge to further reduce costs. We may consider withdrawing from the loss-making projects, offloading certain properties and relocating the resources to the growing and promising segments. The Group will cautiously and diligently explore new potential growth opportunities, undervalued assets and business expansion opportunities in order to diversify the income sources, bring in profits and ultimately attain long and sustainable growth and enhance shareholders' value as a whole.

EMPLOYEE AND REMUNERATION

As at 30 June 2025, the Group had approximately 42 (31 December 2024: 56) employees (excluding employees of the Company's associates and independent non-executive Directors) in Hong Kong and the PRC. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance. The Group offers induction trainings to new employees and gives regular trainings to existing employees for updating their skills and knowledge.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, the Group did not have any significant events after the reporting period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the period.

CORPORATE GOVERNANCE PRACTICE

During the six months ended 30 June 2025, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Listing Rules, except for the deviations as below:

Code Provision C.2.1

The roles of the chairman and chief executive should be separate and should not be performed by the same individual. Under the current management structure of the Company, Mr. Wong Lik Ping (“Mr. Wong”) is the chairman of the Board (the “Chairman”) and chief executive officer of the Company (the “CEO”). Upon the resignation of former CEO, Mr. Lai Ka Fai on 31 July 2023, Mr. Wong took up the function of CEO while the Company has been in the course of nominating suitable candidates for the vacancy of CEO. In addition, under the supervision of the Board which is comprised of four executive Directors, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders as a whole. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in this circumstance and will be addressed in the future.

Code Provision E.1.2

The remuneration committee’s terms of reference should include reviewing and making recommendations to the board on the issuer’s policy and structure for senior management remuneration and the remuneration packages of senior management. The terms of reference of the remuneration committee of the Company exclude review of and making recommendations to the Board in relation to senior management remuneration, as in the Board’s opinion, it was more appropriate for the executive Directors to perform these duties.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiries, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the review period.

AUDIT COMMITTEE REVIEW

The Company has established an audit committee (the “Audit Committee”) in accordance with the requirements of the CG Code, for the purposes of reviewing and providing supervision over the financial reporting process, risk management and internal controls of the Group. The Audit Committee comprises 3 independent non-executive Directors. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2025 have been reviewed and approved by the Audit Committee.

PUBLICATION OF INTERIM RESULTS AND REPORT

This interim results announcement is published on the websites of the Company (www.egichk.com) and the Stock Exchange (www.hkexnews.hk). The 2025 interim report containing all the information required by the Listing Rules will be despatched to the shareholders and made available on the aforesaid websites in due course.

By the order of the Board
China Ever Grand Financial Leasing Group Co., Ltd.
Wong Lik Ping
Chairman and Executive Director

Hong Kong, 21 August 2025

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Siu Wai Bun, Mr. Tao Ke and Mr. Ng Tin Shui as Executive Directors; (2) Ms. Yip Man Yi as Non-Executive Director; and (3) Mr. Ng Kwok Sang, Mr. Wu Kai Tang and Mr. Leung Yiu Ming David as Independent Non-Executive Directors.