VPOWER GROUP INTERNATIONAL HOLDINGS LIMITED
偉能集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1608)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS

- Revenue decreased 25.0% to HK$612.1 million, among which, revenue from the SI business was HK$150.2 million and revenue from the IBO business was HK$461.9 million, representing a decrease of 56.5% and 2.0% respectively.
- Total gross profit decreased 12.9% to HK$122.4 million owing to the decrease in revenue, while the gross profit margin improved to 20.0%.
- Profit attributable to the owners of the Company was approximately HK$20.7 million; the turnaround from loss to profit was mainly due to other income derived from completion of the disposal of certain power generating assets to an associate of the controlling shareholder of the Company and the reduction in interest expense resulted from repayment of bank borrowings.

The board of directors (the "**Board**") of VPower Group International Holdings Limited (the "**Company**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2025, together with comparative figures of the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**612,100**	816,567
Cost of sales		**(489,707)**	(676,018)
Gross profit		**122,393**	140,549
Other income and gains, net	*4*	**169,375**	30,845
Selling and distribution expenses		**(9,342)**	(5,644)
Administrative expenses		**(116,371)**	(152,885)
Other expenses, net		**(54,319)**	(7,844)
Finance costs		**(106,800)**	(140,708)
Share of profits from joint ventures		**16,753**	4,113
PROFIT/(LOSS) BEFORE TAX	*5*	**21,689**	(131,574)
Income tax expense	*6*	**(622)**	(6,729)
PROFIT/(LOSS) FOR THE PERIOD		**21,067**	(138,303)
Attributable to:			
Owners of the Company		**20,683**	(138,599)
Non-controlling interests		**384**	296
		21,067	(138,303)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic		**HK0.31 cent**	HK(2.08) cents
Diluted		**HK0.31 cent**	HK(2.08) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**21,067**	(138,303)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**42,852**	(40,010)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**42,852**	(40,010)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**63,919**	(178,313)
Attributable to:		
Owners of the Company	**63,535**	(178,609)
Non-controlling interests	**384**	296
	63,919	(178,313)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (Unaudited) *HK$'000*	31 December 2024 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**543,244**	462,628
Right-of-use assets		**190,330**	227,968
Interests in joint ventures	*10*	**880,730**	888,541
Deposits and other receivables		**44,107**	47,755
Deferred tax assets		**2,361**	2,881
Total non-current assets		**1,660,772**	1,629,773
CURRENT ASSETS			
Inventories		**622,728**	659,555
Trade and bills receivables	*11*	**1,693,059**	1,618,694
Prepayments, deposits, other receivables and other assets		**873,291**	839,867
Derivative financial instruments		**—**	6,146
Tax recoverable		**3,308**	2,338
Restricted cash		**12,326**	12,315
Pledged deposits		**244**	—
Cash and cash equivalents		**310,195**	122,808
		3,515,151	3,261,723
Assets held for sale	*14*	**415,463**	969,328
Total current assets		**3,930,614**	4,231,051
CURRENT LIABILITIES			
Trade and bills payables	*12*	**555,603**	503,116
Other payables and accruals		**1,184,143**	1,136,587
Contract liabilities		**70,476**	116,734
Derivative financial instruments		**3,904**	—
Interest-bearing bank and other borrowings	*13*	**1,886,018**	2,236,637
Lease liabilities		**74,934**	73,281
Tax payable		**3,707**	3,167
Provision for restoration		**3,493**	4,273
Total current liabilities		**3,782,278**	4,073,795
NET CURRENT ASSETS		**148,336**	157,256
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,809,108**	1,787,029

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

	Notes	**30 June 2025 (Unaudited)** *HK$'000*	31 December 2024 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Other payables		**1,002**	1,090
Interest-bearing bank and other borrowings	*13*	**30,062**	35,556
Lease liabilities		**119,669**	155,073
Provision for restoration		**2,174**	2,166
Deferred tax liabilities		**10,866**	11,728
Total non-current liabilities		**163,773**	205,613
Net assets		**1,645,335**	1,581,416
EQUITY			
Equity attributable to owners of the Company			
Share capital		**668,315**	668,315
Reserves		**976,146**	912,611
		1,644,461	1,580,926
Non-controlling interests		**874**	490
Total equity		**1,645,335**	1,581,416

NOTES:

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is Units 2701–05, 27/F, Office Tower 1, The Harbourfront, 18–22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

During the six months ended 30 June 2025, the Group was principally engaged in the design, integration, sale and installation of engine-based electricity generation units and the provision of distributed power solutions, including the design of, investment in, building and operation of distributed power generation stations.

In the opinion of the directors of the Company, the immediate holding company of the Company is China National Technical Import & Export Corporation ("**CNTIC**"), a company established under the laws of the People's Republic of China ("**PRC**") with limited liability, and the ultimate holding company of the Company is China General Technology (Group) Holding Co., Ltd., a company also established under the laws of the PRC with limited liability and under the direct supervision of State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 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 are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Going Concern Basis

For the six months ended 30 June 2025, the Group incurred a net profit of HK$21.1 million and the Group had net current assets of HK$148.3 million as at 30 June 2025. The current liabilities included bank and other borrowings of HK$1,736.5 million which have all been classified as current liabilities because the Group has failed to repay these bank and other borrowings in accordance with the repayment schedules during the six months ended 30 June 2025 and up to the date of approval of these unaudited condensed consolidated financial statements. The Group had cash and cash equivalents amounted to HK$310.2 million as at 30 June 2025. Subsequent to the end of the reporting period and up to the date of approval of the financial statements, no waivers have been obtained from the relevant banks for the late repayment of outstanding loan amounts, and non-compliance with certain loan covenants.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have been undertaking plans and measures to improve the Group's liquidity and financial position, including, *inter alia*:

(i) materialising the disposal of power generating assets to the controlling shareholder of the Company to obtain proceeds for loan repayments and as working capital;

(ii) utilising the business resources of the controlling shareholder of the Company and other business partners to accelerate new project execution for revenue generation; and

(iii) advancing the finalisation and internal approval of relevant legal documents with all creditor banks, based on the signed term sheet, with the target to execute the formal definitive documentation for extension of the maturity dates of the existing loans as soon as possible.

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

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

Basis of Consolidation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amendments to a HKFRS Accounting Standard issued by HKICPA for the first time for the current period's financial information.

Amendments to HKAS 21	*Lack of Exchangeability*

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

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the system integration ("**SI**") segment designs, integrates, sells and installs engine-based electricity generation units; and

(b) the investment, building and operating ("**IBO**") segment designs, invests in, builds and operates distributed power generation stations to provide distributed power solutions.

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

Segment assets exclude deferred tax assets, derivative financial instruments, tax recoverable, restricted cash, pledged deposits, cash and cash equivalents, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, interest-bearing bank and other borrowings, tax payable, deferred tax liabilities, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2025 (unaudited)

	SI	**IBO**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue:			
Sales to external customers	**150,204**	**461,896**	**612,100**
Intersegment sales	**39,656**	**—**	**39,656**
	189,860	**461,896**	**651,756**
Reconciliation:			
Elimination of intersegment sales			**(39,656)**
Revenue			**612,100**
Segment results	**8,643**	**140,229**	**148,872**
Reconciliation:			
Elimination of intersegment results			**(1,406)**
Bank interest income			**2,766**
Corporate and unallocated expenses, net			**(32,332)**
Finance costs (other than interest on lease liabilities)			**(96,211)**
Profit before tax			**21,689**
Segment assets	**2,053,475**	**2,470,599**	**4,524,074**
Reconciliation:			
Corporate and unallocated assets			**1,067,312**
Total assets			**5,591,386**
Segment liabilities	**960,539**	**658,837**	**1,619,376**
Reconciliation:			
Corporate and unallocated liabilities			**2,326,675**
Total liabilities			**3,946,051**

For the six months ended 30 June 2024 (unaudited)

	SI *HK$'000*	IBO *HK$'000*	Total *HK$'000*
Segment revenue:			
Sales to external customers	345,074	471,493	816,567
Intersegment sales	2,374	—	2,374
	347,448	471,493	818,941
Reconciliation:			
Elimination of intersegment sales			(2,374)
Revenue			816,567
Segment results	20,890	737	21,627
Reconciliation:			
Elimination of intersegment results			(337)
Bank interest income			386
Corporate and unallocated expenses, net			(13,938)
Finance costs (other than interest on lease liabilities)			(139,312)
Loss before tax			(131,574)

Year ended 31 December 2024 (audited)

	SI *HK$'000*	IBO *HK$'000*	Total *HK$'000*
Segment assets	2,105,110	2,869,458	4,974,568
Reconciliation:			
Corporate and unallocated assets			886,256
Total assets			5,860,824
Segment liabilities	997,456	599,932	1,597,388
Reconciliation:			
Corporate and unallocated liabilities			2,682,020
Total liabilities			4,279,408

Geographical information

(a) ***Revenue from external customers***

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong and Chinese Mainland	**59,928**	181,711
Other Asian countries	**189,601**	144,970
Latin America	**354,723**	357,014
Other countries	**7,848**	132,872
	612,100	816,567

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

(b) ***Non-current assets***

	As at	As at
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Hong Kong and Chinese Mainland	**946,892**	986,959
Other Asian countries	**130,354**	92,287
Latin America	**491,632**	443,016
Other countries	**45,426**	56,875
	1,614,304	1,579,137

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial assets.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

For the six months ended 30 June 2025 (unaudited)

Segments	**SI**	**IBO**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Total revenue from contracts with customers	**150,204**	**461,896**	**612,100**

For the six months ended 30 June 2024 (unaudited)

Segments	SI	IBO	Total
	HK$'000	*HK$'000*	*HK$'000*
Total revenue from contracts with customers	345,074	471,493	816,567

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**2,766**	386
Government grants*	**12**	229
Reversal of impairment of property, plant and equipment	**8,736**	—
Gain on disposal of items of property, plant and equipment, net	**149,285**	1,578
Fair value gain on derivative financial instruments	**—**	21,391
Others	**8,576**	7,261
	169,375	30,845

* A subsidiary was qualified as a high-and-new technology enterprise in Chinese Mainland and it received various related government grants. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment*	**28,287**	117,561
Depreciation of right-of-use assets	**40,176**	6,378
Write-down of inventories to net realisable value#	**—**	944
Fair value loss on derivative financial instruments#	**1,802**	—
Foreign exchange difference, net#	**4,641**	6,861

* The cost of sales for the period included depreciation charges of HK$20,984,000 (six months ended 30 June 2024: HK$73,658,000).

Included in "Other expenses, net" in the unaudited condensed consolidated statement of profit or loss.

6. INCOME TAX

Hong Kong Profits Tax is provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during both periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current — Hong Kong		
Overprovision in prior periods	**—**	(248)
Current — Elsewhere		
Charge for the period	**2,849**	5,921
Underprovision/(overprovision) in prior periods	**(1,062)**	777
Deferred	**(1,165)**	279
Total tax expense for the period	**622**	6,729

7. DIVIDENDS

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2025 (six month ended 30 June 2024: Nil).

The Board did not recommend the payment of any final dividend in respect of the years ended 31 December 2024 and 2023.

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit for the period attributable to ordinary equity holders of the Company of HK$20,683,000 (six months ended 30 June 2024: loss of HK$138,599,000) and the weighted average number of ordinary shares of 6,669,484,000 (six months ended 30 June 2024: 6,669,484,000) in issue during the period, as adjusted to exclude the shares held under the share award scheme.

No adjustment was made to the basic earnings/(loss) per share amount presented for the six months ended 30 June 2025 and 30 June 2024 as the Company has no potential dilutive ordinary shares.

9. PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group acquired property, plant and equipment of HK$68,111,000 (six months ended 30 June 2024: HK$25,532,000) and there was no write-off of property, plant and equipment (six months ended 30 June 2024: Nil).

10. INTERESTS IN JOINT VENTURES

	30 June 2025 (Unaudited) ***HK$'000***	31 December 2024 (Audited) *HK$'000*
Share of net assets	**880,730**	888,541

In January 2018, the Company and CITIC Pacific Limited ("**CITIC Pacific**"), through their respective subsidiaries, established Tamar VPower Energy Fund I, L.P. (the "**Fund**"). Tamar VPower Holdings Limited, indirectly owned as to 50% by each of the Company and CITIC Pacific, has a wholly-owned subsidiary to act as the general partner, the special limited partner and the management company, respectively, of the Fund. The Company has committed to subscribe for interest in the Fund through its own indirect wholly-owned subsidiary and the special limited partner of the Fund. As at 30 June 2025, the Group invested approximately HK$819,749,000 (31 December 2024: HK$819,749,000) in the Fund.

In September 2019, the Company and CNTIC, through their respective subsidiaries, established CNTIC VPower Group Holdings Limited ("**CNTIC VPower**"), which is indirectly owned as to 50% by each of the Company and CNTIC. CNTIC VPower, together with its subsidiaries, was principally engaged in the development and operation of three power generation projects in Myanmar. As at 30 June 2025, the Group invested approximately HK$700,444,000 (31 December 2024: HK$700,444,000) in CNTIC VPower. During the six months ended 30 June 2025 and year ended 31 December 2024, the Group had discontinued the recognition of the share of loss of CNTIC VPower because the share of loss of the joint venture had exceeded the Group's interest in the joint venture and the Group had no obligation to take up further loss.

In June 2022, the shareholders' agreement of Genrent del Peru S.A.C. and VPTM Iquitos S.A.C. (collectively, the "**Genrent Peru Group**"), the then 51%-owned subsidiaries of the Group, was amended such that (i) the composition of the board of director of the subject company is shared equally between the Group and shareholders holding an aggregate of 49% equity interests in the subject company; and (ii) the shareholders' resolutions of the subject company require consent of shareholders holding not less than two-thirds of the issued capital of the subject company. In the opinion of the directors of the Company, after the amendment of the shareholders' agreement, the Group ceased to have control over the Genrent Peru Group and it became joint ventures of the Group thereafter. Accordingly, the Group derecognised the assets and liabilities of the Genrent Peru Group and recognised its 51% equity interests in the Genrent Peru Group as interests in joint ventures.

11. TRADE AND BILLS RECEIVABLES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
Trade receivables	**2,973,125**	2,899,320
Bills receivables	**1,093**	468
Impairment	**(1,281,159)**	(1,281,094)
	1,693,059	1,618,694

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods range from 30 to 360 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
Within 90 days	**198,308**	136,693
91 to 180 days	**4,116**	6,387
181 to 360 days	**12,968**	11,322
Over 360 days	**1,477,667**	1,464,292
	1,693,059	1,618,694

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables 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*
Within 90 days	**91,830**	50,504
91 to 180 days	**8,423**	1,792
181 to 360 days	**3,450**	112,548
Over 360 days	**451,900**	338,272
	555,603	503,116

The trade payables are non-interest-bearing and are normally settled on terms with credit period ranging from 30 to 360 days.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2025 (Unaudited) ***HK$'000***	31 December 2024 (Audited) *HK$'000*
Current		
Portions of bank loans due for repayment within one year or on demand — secured	**350,196**	438,615
Portions of bank loans due for repayment within one year or on demand — unsecured	**1,459,737**	1,722,638
Other borrowings — secured	**76,085**	75,384
	1,886,018	2,236,637
Non-current		
Other borrowings — secured	**30,062**	35,556
Total	**1,916,080**	2,272,193

14. ASSETS HELD FOR SALE

(a) On 4 September 2024, CNTIC Capital (Hong Kong) Co., Limited ("**CNTIC Capital**"), a 95% owned subsidiary of CNTIC, and CNTIC (collectively the "**Buyers**") and certain subsidiaries of the Company (the "**Sellers**") entered into an equipment purchase agreement, pursuant to which, each of the Sellers agreed to sell to the Buyers, and the Buyers agreed to purchase from the Sellers certain mobile power generating sets and ancillary equipment and accessories in three batches at a consideration of RMB610,488,119 (approximately equivalent to HK$671,537,000), RMB660,811,889 (approximately equivalent to HK$726,893,000) and RMB341,668,962 (approximately HK$375,836,000), respectively.

The sale of first batch equipment and second batch equipment with net carrying value of HK$565,554,000 and HK$553,866,000, respectively, were completed in the year ended 31 December 2024 and in the six months ended 30 June 2025 respectively. The third batch equipment with net carrying value of HK$323,952,000 remained as assets held for sale as at 30 June 2025.

(b) During the year ended 31 December 2024, the Group had an arrangement with CNTIC to transfer back certain power generating sets along with their associated ancillary equipment and accessories. The directors of the Company determined that the criteria for held-for-sale classification as outlined in HKFRS 5 were met, based on the fact that the assets were readily available for the transfer, and the likelihood of the arrangement was highly probable due to the management had committed to such arrangement. Accordingly the total respective assets of HK$91,510,000 remained as assets held for sale as of 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half of 2025, despite the continued impact of geopolitical tensions on the global economy, energy demand maintained steady growth. According to the latest report, global electricity demand increased by approximately 3.5% year-on-year. This growth was primarily driven by three key factors: the growing popularity of artificial intelligence and cloud computing, fuelling a surge in electricity usage by data centres; rising frequencies of high temperatures caused by global climate change, leading to a continued rise in demand for air conditioning; and the accelerated electrification of manufacturing and heavy industries, reducing reliance on fossil fuels and further driving up electricity consumption.

Emerging markets demonstrated resilience and growth potential, with Southeast Asia, Central Asia, and South America delivering standout performance. These regions, through strategic alignment with the Belt and Road Initiative, actively promoted energy structure transformation and reinforced the resilience of their power supply infrastructure. Key strategies and initiatives included strengthening regional grid interconnections, accelerating the rollout of new projects, and enhancing local generation capacity to reduce dependence on imported energy — thereby improving energy independence and driving steady growth in regional electricity consumption.

Meanwhile, the global energy transition has entered a phase of pragmatic recalibration, as countries strive to strike a balance between energy security and low-carbon goals. While renewable energy continues to increase its share in the global power generation mix, its intermittent nature remains a key concern for energy systems. In this context, the integrated development approach of oil, gas, and renewables is maturing, with flexible power generation solutions such as distributed gas-fired power playing an increasingly vital role in safeguarding power supply stability.

Business Review

In the first half of 2025, leveraging the robust business network of the controlling shareholder, the Group steadily expanded its footprint in the distributed power generation market and ensured the phased construction and rollout of various projects. As these projects gradually commence operations, the Group's business foundation continued to strengthen, laying a solid groundwork for future improvement in profitability. Through continuous business structure optimisation and operational efficiency enhancement, the Group is making steady progress toward long-term development goals.

The Group implemented strategic asset management measures and successfully completed asset disposals, which not only effectively reduced financial costs but also drove a turnaround in results.

SI Business

For the six months ended 30 June 2025, the Group recorded revenue of approximately HK$150.2 million and gross profit of approximately HK$27.7 million from the SI business, with core customers coming from Chinese Mainland, Hong Kong, and the Middle East.

Implementing SI projects typically requires substantial upfront financial outlay, primarily allocated to equipment procurement. In light of certain liquidity constraints over the past year, the Group adopted a prudent resource allocation strategy to ensure project quality and delivery reliability. This involved temporarily deferring new project commitments while concentrating resources on the steady progress of existing projects, thereby avoiding potential delays or execution risks caused by funding pressures. Concurrently, the Group further optimised customer portfolio, adhering to a cautious approach by actively selecting high-quality customer with good reputation, sound financial standing, and long-term partnership potential to enhance overall project success rates and resource utilisation efficiency. Although the SI business recorded a revenue decline of 56.5% compared to the corresponding period in 2024, the strategic adjustments led to tangible profitability improvements, with gross profit margin rising to approximately 18.5%.

IBO Business

For the six months ended 30 June 2025, the Group recorded revenue of approximately HK$461.9 million and gross profit of approximately HK$94.6 million from the IBO business. Although the revenue slightly declined by 2% compared to the corresponding period in 2024, the gross profit recorded a year-on-year growth of 2.7%, and the overall gross profit margin also improved to 20.5%, attributable to the enhancement of operational efficiency.

The Group's IBO business continued to make steady progress across multiple overseas markets, demonstrating strong growth momentum and agile operational strategies. In Indonesia, the synergistic integration of new and existing capacities contributed to continuous improvements in regional operational quality with approximately 200 MW contract capacity in operation as at 30 June 2025. The three power stations commissioned in recent years on Batam Island, with an aggregate capacity of 150 MW, delivered outstanding performance and powered the Group's business growth in the region. In response to evolving market dynamics, strategies at certain power stations were adjusted to maximise asset efficiency.

In Brazil, the Group further optimised its operational management system, with two power stations among the 61.2 MW contract capacity in operation respectively completed and initiated diesel-solar hybrid upgrade projects. Despite temporary and modest cost fluctuations in the first half of 2025, the overall operational efficiency of the projects remained at a favourable level, showing strong resilience.

In Central Asia, construction of the 100 MW power station in Uzbekistan is progressing smoothly, with the site ready, civil work completed and major equipment installed. The Group remains committed to deepening its presence in this emerging market, leveraging synergies with the controlling shareholder to drive project development and implementation.

In Myanmar, the Group's project continued to scale down amid a complex political landscape. The Group's joint venture is actively evaluating asset operation strategies, adapting to market demand and risk conditions while retaining potential for future project reactivation.

Significant Investment

*Tamar VPower Energy Fund I, L.P. (the "**Fund**")*

The Group has joined hands with CITIC Pacific Limited to explore the opportunities in the energy sector in countries along the Belt and Road Initiative through the Fund since 2018. The investment portfolio of the Fund remained the same as disclosed in the annual report of 2019. As at 30 June 2025, the Group's total investment cost in the Fund was approximately HK$819.7 million; and its carrying value was approximately HK$692.9 million, representing around 12.4% of the Group's total assets. The Group expects to materialise investment return through distributions of the Fund declared and made after completion of a divestment under negotiation.

Outlook

As the second half of 2025 unfolds, the global energy industry is undergoing a rapid structural transformation. Electricity has evolved from a supporting utility into a core driver of both digital economic development and the low-carbon transition. With national policies increasingly prioritising energy supply stability, flexibility, and regional independence, the Group's distributed power generation and system integration businesses are well-positioned to pursue clear growth trajectories with strategic agility.

Within the IBO business, the Group will continue to expand its global presence, focusing on markets characterised by stable policy frameworks or long-term electricity demand growth. Efforts will be made to further optimise the operational efficiency of existing assets and ensure the timely commissioning of projects under construction, thereby improving overall asset returns. Development of the project in Uzbekistan is advancing well, with operations set to commence in the second half of the year. This represents a significant milestone for the Group as it enters the Central Asian market. The Group will also improve fuel conversion efficiency and returns of its existing assets in Indonesia and Brazil by undertaking technological upgrades and operational optimisation. Moving forward, the Group will accelerate the development of larger-scale projects and explore collaboration opportunities with local governments and energy institutions to strengthen regional power supply resilience. At the same time, the Group will actively evaluate the conditions for reactivating its assets in Myanmar, flexibly adjusting resources based on evolving political and market conditions to protect their long-term value.

In the SI business, the Group will further leverage its technical expertise and market network to target high-potential customer segments, including data centres, smart cities, and industrial electrification projects. In response to rising global demand for flexible power solutions and drawing on its operational excellence, the Group will continue refining its customer portfolio with prudence and agility to raise project success rates and capital efficiency, improving gross profit margin and profitability.

Supported by the resource advantages of the controlling shareholder, the Group will continue strengthening project development capabilities and asset management efficiency while steadily expanding overseas businesses. With forward-looking strategies, the Group aspires to achieve meaningful breakthroughs amid the evolving global energy dynamics, striving to become a key contributor to energy infrastructure of emerging markets and creating sustainable long-term value for shareholders.

Financial Review

Revenue

The revenue of the Group was mainly derived from: (i) SI business by providing gen-sets and power generation systems to customers; and (ii) IBO business based on the actual amount of electricity that we deliver to the off-takers (including fuel cost the Group expensed for its off-takers), as well as the contract capacity we make available to the off-takers.

	Six months ended 30 June	
	2025	2024
	HK$'000	*HK$'000*
SI	**150,204**	345,074
IBO	**461,896**	471,493
Total	**612,100**	816,567

In the six months ended 30 June 2025, the Group recorded a revenue of approximately HK$612.1 million, representing a decrease of 25.0% as compared with approximately HK$816.6 million of the corresponding period in 2024. The decrease in revenue was due to the reduced revenue from SI business segment. Please refer to the paragraph headed "Business Review".

Revenue by geographical locations

The table below sets forth a revenue breakdown for our SI business by geographical markets for the period indicated, both in actual amounts and as a percentage of total revenue:

	Six months ended 30 June			
	2025		2024	
	HK$'000	***% of total revenue***	*HK$'000*	*% of total revenue*
Hong Kong and Chinese Mainland	**50,752**	**8.3**	168,942	20.7
Other Asian countries[1]	**91,604**	**14.9**	43,954	5.4
Other countries	**7,848**	**1.3**	132,178	16.2
Total	**150,204**	**24.5**	345,074	42.3

Note:

(1) Other Asian countries mainly include United Arab Emirates and Indonesia.

The table below sets forth a revenue breakdown for our IBO business by geographical markets for the period indicated, both in actual amounts and as a percentage of total revenue:

	Six months ended 30 June			
	2025		2024	
	HK$'000	***% of total revenue***	*HK$'000*	*% of total revenue*
Brazil[1]	**354,724**	**58.0**	357,013	43.7
Indonesia	**74,332**	**12.1**	48,404	5.9
Myanmar	**23,665**	**3.9**	52,612	6.4
China	**9,175**	**1.5**	12,769	1.6
United Kingdom	**—**	**—**	695	0.1
Total	**461,896**	**75.5**	471,493	57.7

Note:

(1) Revenue comprises amounts representing fuel cost expensed for off-takers.

Cost of sales

Under our SI business, our cost of sales mainly consists of cost of goods sold and services provided, staff costs and depreciation. We use engines, radiators, alternators, other parts and ancillary equipment to produce gen-sets and power generation systems.

Under our IBO business, our cost of sales mainly includes depreciation and operating expenses. We engage contractors for labour outsourcing.

Cost of sales of the Group was approximately HK$489.7 million for the six months ended 30 June 2025, representing a decrease of HK$186.3 million as compared with approximately HK$676.0 million of the corresponding period in 2024.

Gross profit and gross profit margin

	Six months ended 30 June			
	2025		2024	
	HK$'000	***gross profit margin %***	*HK$'000*	*gross profit margin %*
SI	**27,746**	**18.5**	48,372	14.0
IBO	**94,647**	**20.5**	92,177	19.6
Total	**122,393**	**20.0**	140,549	17.2

Gross profit of the Group was approximately HK$122.4 million for the six months ended 30 June 2025, representing a decrease of 12.9% as compared with approximately HK$140.5 million of the corresponding period in 2024.

Gross profit margin for the six months ended 30 June 2025 rose to 20.0% from 17.2% of the corresponding period in 2024 which was mainly attributable to an improved gross profit margin of SI sales.

Profit/(loss) before tax

For the six months ended 30 June 2025, the Group recorded a profit of approximately HK$21.7 million as compared with a loss of approximately HK$131.6 million of the corresponding period in 2024. It was mainly due to the other income derived from completion of the disposal of certain power generating assets to an associate of the controlling shareholder of the Company and the reduction in interest expense resulted from repayment of bank borrowings.

Other income and gains, net

In the six months ended 30 June 2025, other income and gains, net of the Group amounted to approximately HK$169.4 million, representing a significant increase of 450.0% as compared with approximately HK$30.8 million of the corresponding period in 2024. The increase was mainly attributable to gain on disposal of property, plant and equipment during the six months ended 30 June 2025.

Selling and distribution expenses

Selling and distribution expenses of the Group primarily consist of costs for transportation and traveling expenses, insurance expense, staff costs and others. The selling and distribution expenses of the Group increased by 65.5% to approximately HK$9.3 million for the six months ended 30 June 2025.

Administrative expenses

Administrative expenses primarily consist of staff costs, legal and other professional fees, insurance expenses, demobilisation expenses, and office and other expenses. Office and other expenses include bank charges, advertising and related promotion expenses and headquarter expenses.

In the six months ended 30 June 2025, administrative expenses of the Group were approximately HK$116.4 million, representing a decrease of 23.9% as compared with that of approximately HK$152.9 million in the corresponding period of 2024. The decrease was mainly due to a decrease in depreciation charge.

Other expenses, net

Other expenses, net of the Group mainly consist of foreign exchange loss, impairment of trade receivables, write-down of inventories to net realisable value and loss on disposal of items of property, plant and equipment.

In the six months ended 30 June 2025, other expenses, net were approximately HK$54.3 million, which represented an increase of 596.2% as compared with that of HK$7.8 million in the corresponding period of 2024. The increase was mainly attributable to an increase in demobilisation expenses incurred for disposal of certain power generating assets.

Finance costs

Finance costs of the Group primarily consist of interest and other finance costs on letters of credit, bank loans and overdrafts, notional interest on other payables and interest on lease liabilities and other borrowings. In the six months ended 30 June 2025, finance costs were approximately HK$106.8 million, which represented a decrease of 24.1% as compared with that of approximately HK$140.7 million in the corresponding period of 2024. The decrease was primarily due to the decrease in total interest-bearing bank borrowing.

Income tax expense

Income tax expense of the Group primarily consists of income tax recoverable/payable by our subsidiaries in the PRC, Hong Kong and Brazil. For the six months period ended 30 June 2025, income tax expense was approximately HK$0.6 million, as compared with the income tax expenses of approximately HK$6.7 million in the corresponding period of 2024.

The effective tax rate was 2.9% during the six months ended 30 June 2025 and not applicable for the corresponding period of 2024 due to loss before tax.

Profit/(loss) attributable to owners and earnings/(loss) per share

In the six months ended 30 June 2025, profit attributable to owners of the Company was approximately HK$20.7 million, as compared with loss attributable to owners of the Company of approximately HK$138.6 million in the corresponding period of 2024. Basic earnings per share for the six months ended 30 June 2025 was HK0.31 cent as compared with basis loss per share of HK2.08 cents in the corresponding period of 2024.

Liquidity, financial and capital resources

As at 30 June 2025, total current assets of the Group amounted to approximately HK$3,930.6 million (31 December 2024: HK$4,231.1 million). In terms of financial resources as at 30 June 2025, cash and cash equivalents of the Group were approximately HK$310.2 million (31 December 2024: HK$122.8 million).

As at 30 June 2025, total bank and other borrowings of the Group amounted to approximately HK$1,916.1 million (31 December 2024: HK$2,272.2 million), representing a decrease of approximately 15.7% as compared to that as at 31 December 2024. As at 30 June 2025, the Group's bank and other borrowings denominated in:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	HK$'000	*HK$'000*
United States dollars ("**USD**")	**1,614,118**	1,987,961
Brazilian Real ("**BRL**")	**128,754**	92,663
Hong Kong dollars	**97,674**	122,270
Renminbi ("**RMB**")	**50,787**	47,765
Euro	**24,747**	21,534
	1,916,080	2,272,193

As at 30 June 2025, the Group's current ratio was 1.0 (31 December 2024: 1.0). The Group's liabilities to assets ratio was 70.6% (31 December 2024: 73.0%). The Group's net gearing ratio was approximately 96.8% (31 December 2024: 135.1%).

Charge of assets

As at 30 June 2025, certain of the Group's inventories with a net book value of approximately HK$64.4 million (31 December 2024: HK$146.5 million), property, plant and equipment with a net book value of approximately HK$140.9 million (31 December 2024: HK$107.7 million), pledged deposit of HK$0.2 million (31 December 2024: Nil) and equity interest of the Group in a subsidiary were charged for securing the Group's interest-bearing bank and other borrowings and the equity interest of the Group in Genrent del Peru S.A.C. was charged for securing its senior notes.

Exposure on foreign exchange fluctuations

The Group's revenue and payments are mainly in USD, Euro, BRL, Indonesian Rupiah ("**IDR**"), RMB, United Arab Emirates Dirham ("**AED**") and Great British Pound ("**GBP**"). The impact of such difference would translate into our exposure to any particular currency fluctuations during the period.

The Group is exposed to foreign exchange risk through sales and purchase that are denominated in currencies other than the functional currency of the respective operations. The Group has a hedging policy to manage such risks and costs associated with currency fluctuations. The Group will closely follow the hedging policy and monitor its overall foreign exchange exposure from time to time to minimise the relevant exposures.

Contingent Liabilities

As at 30 June 2025, the Group had no contingent liabilities (31 December 2024: Nil).

Capital Expenditures

For the six months ended 30 June 2025, the Group invested approximately HK$68.1 million (31 December 2024: HK$76.2 million) in property, plant and equipment of which HK$68.0 million (31 December 2024: HK$75.9 million) was for IBO projects.

TREASURY POLICY

The Group has implemented a treasury policy that aims at better controlling its treasury management and financial resources. The treasury policy requires the Group to maintain an adequate level of cash and cash equivalents and available banking facilities to support daily operations and funding needs. The policy is regularly reviewed and evaluated to ensure its adequacy and effectiveness.

MATERIAL ACQUISITION AND DISPOSAL

On 4 September 2024, the Group entered into an equipment purchase agreement with the controlling shareholder, CNTIC and CNTIC Capital, pursuant to which the Group conditionally agreed to sell certain mobile power generating sets and the ancillary equipment and accessories ("**Equipment**") to CNTIC and CNTIC Capital in three batches at a total consideration equivalent to approximately RMB1,613.0 million. The transactions contemplated under the equipment purchase agreement constitute a connected transaction and a very substantial disposal for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). For further details, please refer to the Company's announcement dated 4 September 2024.

During the six months ended 30 June 2025, the Group completed the sale of the second batch of Equipment at approximately RMB660.8 million.

EMPLOYEES

As at 30 June 2025, the Group had 401 employees (31 December 2024: 380). The Group remunerates its employees based on their performance, experience and prevailing industry practice; and grants bonus in cash and shares of the Company to motivate valued employees. The Group provides internal and external training (e.g. orientation training, on-the-job training, product training and site safety training) to enrich the knowledge and skills of employees.

INTERIM DIVIDEND

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

EVENT AFTER THE REPORTING PERIOD

There have been no significant event since the end of the reporting period and up to the date of this announcement.

CORPORATE GOVERNANCE

During the six months ended 30 June 2025, the Company had complied with all the applicable code provisions of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiries with all directors of the Company, the Company was not aware of any non-compliance with the required standard set out in the Model Code regarding securities transactions by the directors of the Company during the six months ended 30 June 2025.

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

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had sold any treasury shares (as defined under the Listing Rules) of the Company and there was no treasury shares (as defined under the Listing Rules) held by the Company as at 30 June 2025.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed, among other things, the accounting principles and practices adopted by the Group, internal controls, risk management and financial reporting matters and the unaudited interim financial statements of the Group for the six months ended 30 June 2025.

PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.vpower.com under "Investor Relations" and the HKEXnews at www.hkexnews.hk under "Listed Company Information". It is expected that the 2025 Interim Report will be published on the aforesaid websites in September 2025.

APPRECIATION

We would like to take this opportunity to send our gratitude to our shareholders, customers, suppliers and partners for their continuous support and confidence to the Group and express our appreciation to our executives and staff for their dedication and contribution during the period.

By Order of the Board
VPower Group International Holdings Limited
Gao Zhan
Chairman

Hong Kong, 28 August 2025

As at the date hereof, the Board comprises Mr. Gao Zhan, Mr. Lam Yee Chun, Mr. Lu Weijun, Mr. Jin Jiantang and Mr. Wang Jiachang as executive directors; Mr. Wong Kwok Yiu as a non-executive director; and Mr. Suen Wai Yu, Dr. Wang Zheng and Dr. Lin Tun as independent non-executive directors.