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SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 58)

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

The board (the “**Board**”) of directors (the “**Directors**”) of Sunway International Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for 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
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
REVENUE	5	98,234	100,511
Cost of sales		<u>(83,262)</u>	<u>(83,700)</u>
Gross profit		14,972	16,811
Other income		68	118
Other losses, net	6	(839)	(9,263)
Selling and distribution expenses		(17,654)	(20,927)
Administrative expenses		(10,000)	(9,861)
Other expenses		(408)	(745)
Finance costs	7	<u>(1,261)</u>	<u>(592)</u>

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
LOSS BEFORE TAX	8	(15,122)	(24,459)
Income tax credit	9	—	5,360
		<hr/>	<hr/>
LOSS FOR THE PERIOD		<u>(15,122)</u>	<u>(19,099)</u>
Loss for the period attributable to:			
Owners of the Company		(11,043)	(13,926)
Non-controlling interests		(4,079)	(5,173)
		<hr/>	<hr/>
		<u>(15,122)</u>	<u>(19,099)</u>
Loss per share	10		
Basic and diluted (HK cents)		<u>(5.12)</u>	<u>(7.75)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	<u>(15,122)</u>	<u>(19,099)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Item that may be subsequently reclassified to the profit or loss:		
Exchange differences on translation of foreign operations	<u>1,209</u>	<u>(2,260)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	<u>1,209</u>	<u>(2,260)</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u><u>(13,913)</u></u>	<u><u>(21,359)</u></u>
Total comprehensive loss for the period attributable to:		
Owners of the Company	<u>(9,974)</u>	<u>(15,643)</u>
Non-controlling interests	<u>(3,939)</u>	<u>(5,716)</u>
	<u><u>(13,913)</u></u>	<u><u>(21,359)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		77,174	79,991
Right-of-use assets		41,193	43,347
Deposits paid for non-current assets		52	51
		118,419	123,389
CURRENT ASSETS			
Inventories		11,292	11,823
Trade and bill receivables	12	96,090	114,453
Amount due from a related company		3,611	3,509
Prepayment, deposits and other receivables		4,158	17,350
Cash and cash equivalents		8,384	10,593
		123,535	157,728
CURRENT LIABILITIES			
Trade payables	13	67,625	91,836
Accruals and other payables		85,107	76,514
Contract liabilities		4,296	6,127
Lease liabilities		4,702	5,081
Amounts due to non-controlling interests		584	568
Interest-bearing borrowings		8,294	11,465
		170,608	191,591

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
NET CURRENT LIABILITIES	(47,073)	(33,863)
TOTAL ASSETS LESS CURRENT LIABILITIES	71,346	89,526
NON-CURRENT LIABILITIES		
Lease liabilities	2,709	4,912
Interest-bearing borrowings	3,808	5,872
	6,517	10,784
NET ASSETS	64,829	78,742
CAPITAL AND RESERVES		
Share capital	21,552	21,552
Convertible notes	35,736	35,736
Reserves	(5,255)	4,719
Equity attributable to owners of the Company	52,033	62,007
Non-controlling interests	12,796	16,735
TOTAL EQUITY	64,829	78,742

NOTES

1. CORPORATE INFORMATION

Sunway International Holdings Limited (the “**Company**”, together with its subsidiaries collectively as the “**Group**”) is a limited liability company incorporated in Bermuda and the issued shares of which are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is situated at 3/F, Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong. Its controlling shareholder is Wealthy Port Holdings Limited, a company incorporated in Hong Kong and ultimately controlled by Mr. Chim Pui Chung.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group (the “**Interim Financial Information**”) have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The Interim Financial Information has been prepared in accordance with the same accounting policies applied in the 2024 annual financial statements, except for additional accounting policies resulting from application of amendments to HKFRS Accounting Standards and application of certain accounting policies which became relevant to the Group for the six months ended 30 June 2025 as set out in note 3.

The preparation of the Interim Financial Information in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Information contains 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 financial performance of the Group since the 2024 annual financial statements. The Interim Financial Information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with the HKFRS Accounting Standards.

The Interim Financial Information has been prepared on the historical cost basis except for certain property, plant and equipment that are measured at revalued amounts as appropriate.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Interim Financial Information is presented in Hong Kong dollar and all values are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

The Group is principally engaged in manufacturing and trading of pre-stressed high-strength concrete piles, ready-mixed concrete, autoclaved sand-lime bricks, aerated concrete products and eco-concrete products and related processing income (the “**PHC piles and others**”).

Going concern basis

During the six months ended 30 June 2025, the Group incurred a net loss of approximately HK\$15,122,000 (30 June 2024: HK\$19,099,000). As at 30 June 2025, the Group's current liabilities exceeds its current assets by approximately HK\$47,073,000 (31 December 2024: HK\$33,863,000).

These conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but not limited to, the following:

- taking active measures to collect trade, bill and other receivables to improve operating cash flows and its financial position;
- the management closely monitors the Group's customers base and it will be more selective to do business with those customers with better creditability so as to minimise the percentage of doubtful debts;
- the Group will continue to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its profitability and to improve the cash flows from its operation in the future; and
- the Group will consider other financing arrangements and fund-raising alternatives with a view to increase the Group's capitalisation/equity and to support the daily operations of the Group.

The Directors have reviewed the Group's cash flow projection covering a period of not less than twelve months from 30 June 2025 prepared by the management and have considered the possible downward changes in its operating performance. They are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations when they fall due within twelve months from 30 June 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the Interim Financial Information on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying amounts 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 the Interim Financial Information.

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the Group's Interim Financial Information:

Amendments to HKAS 21 and HKFRS 1

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards has had no material impact on the Group's financial position and financial performance for the current and/or prior periods and/or on the disclosure set out in the Interim Financial Information.

The Group has not applied any new and amendments to HKFRS Accounting Standards that have been issued but not yet effective for the current accounting period.

4. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors, being the chief operating decision maker (the "CODM"), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has one reportable segment for both periods. The reportable segment is based on the information about the operations of the Group that management uses to make decisions.

Particulars of the Group's reportable segment is summarised as follows:

Sales and manufacturing of the PHC piles and others

The CODM considered the Group has only one single reporting and operating segment under HKFRS 8 *Operating Segments*, thus no segment information is presented.

Since all of the Group's revenue were generated in the People's Republic of China (the "PRC") for both periods and all of the Group's non-current assets (excluded financial instruments) were located in the PRC, no geographical segment information in accordance with HKFRS 8 *Operating Segments* is presented.

Information about major customer

Revenue from customers of the corresponding period contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer A	22,029	—
Customer B (<i>Note</i>)	10,455	N/A
Customer C	—	11,951
Customer D	—	11,421

Except for the above disclosures, no other customers contributed 10% or more to the Group's revenue for both periods.

Note:

The corresponding revenue did not contribute 10% of the total revenue of the Group.

5. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue from contracts with customers recognised at a point in time:		
Sales of PHC piles and others	98,234	100,511

6. OTHER LOSSES, NET

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Provision for compensation and cost for legal cases	(839)	(821)
Exchange gain, net	—	141
Loss on disposal of property, plant and equipment	—	(8,583)
	(839)	(9,263)

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on interest-bearing borrowings (other than unsecured bond)	720	406
Interest on unsecured bond	112	112
Interest on lease liabilities	429	74
	<u>1,261</u>	<u>592</u>

8. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	3,849	5,197
Depreciation of right-of-use assets	3,406	836
Cost of inventories sold	55,070	54,011
Staff costs (including directors' remuneration):		
— Salaries, bonuses and allowances	11,532	11,179
— Retirement benefits scheme contributions	1,529	1,287
	<u>13,061</u>	<u>12,466</u>

There was no forfeiture of retirement benefits scheme contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) in the Group for both reporting periods. As at the end of each reporting period, no forfeited contribution under the retirement benefits scheme of the Group is available to reduce the contribution payable in future years.

9. INCOME TAX CREDIT

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax — PRC Enterprises Income Tax		
— Over-provision in prior years	<u>—</u>	<u>(5,360)</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made for both periods as the Group has no assessable profits arising in Hong Kong.

The PRC subsidiaries are subject to the PRC Enterprise Income Tax at 25% of the estimated profit for both periods. No provision for PRC Enterprise Income Tax has been made for both periods as the Group has no assessable profits arising in the PRC.

10. LOSS PER SHARE

The calculation of 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
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the period attributable to owners of the Company)	<u>(11,043)</u>	<u>(13,926)</u>
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>215,520</u>	<u>179,600</u>

As the Company's outstanding convertible notes had an anti-dilutive effect to the basic loss per share calculation for both periods, the conversion of the above potential dilutive shares is not assumed in the calculation of diluted loss per share.

11. DIVIDEND

No interim dividend was paid or proposed during the six months ended 30 June 2025 and 30 June 2024, nor any dividend been proposed by the Board subsequent to the end of the reporting period.

12. TRADE AND BILL RECEIVABLES

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Trade receivables from contract with customers	182,658	196,484
Less: allowance for credit losses	<u>(86,568)</u>	<u>(84,111)</u>
Trade receivables (net of allowance for credit losses)	96,090	112,373
Bill receivables	837	2,898
Less: allowance for credit losses	<u>(837)</u>	<u>(818)</u>
Trade and bill receivables (net of allowance for credit losses)	<u><u>96,090</u></u>	<u><u>114,453</u></u>

All trade and bill receivables (net of allowance for credit losses) are denominated in Renminbi (“RMB”) at the end of each reporting period.

The Group’s trading terms with its customers are mainly on credit except for new customers, where payment in advance is normally required. For trade receivables resulted from sales of PHC piles and others, the credit period is generally one to three months from the date of billing, except for certain well-established customers, where the term is extended to six months.

The aging analysis of trade and bill receivables (net of allowance for credit losses), based on the earlier of invoice date or revenue recognition date, is as follows:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Within 3 months	29,257	57,028
4 to 6 months	18,689	32,259
7 to 12 months	34,861	25,166
Over 12 months	<u>13,283</u>	<u>—</u>
	<u><u>96,090</u></u>	<u><u>114,453</u></u>

13. TRADE PAYABLES

The aging analysis of trade payables, based on invoice date, is as follows:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Within 3 months	19,060	56,256
4 to 6 months	14,292	25,449
7 to 12 months	29,345	7,565
Over 12 months	4,928	2,566
	<u>67,625</u>	<u>91,836</u>

The average credit terms received from suppliers of the Group is one month. All trade payables are denominated in RMB at the end of each reporting period.

14. PLEDGED OF ASSETS

Assets with the following carrying amounts have been pledged to secure interest-bearing borrowings (excluded unsecured bond) of the Group:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Buildings	38,799	42,115
Plant and machinery	7,979	8,691
Right-of-use assets	21,005	21,157
	<u>67,783</u>	<u>71,963</u>

In addition, the interest-bearing borrowings (excluded unsecured bond) were secured by land and buildings held by a related company of a subsidiary of the Group and have a personal guarantee provided by the directors of a subsidiary and guarantee provided by non-controlling interests of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS AND OPERATIONS

Construction Materials Business

Construction Materials Business consisted of the pre-stressed high-strength concrete piles and others business (the “**PHC Pile and Others Business**”).

PHC Pile and Others Business

PHC Pile and Others Business are operated by a subsidiary of the Company, 廣東恆佳建材股份有限公司 (Guangdong Hengjia Building Materials Co., Ltd*, “**Guangdong Hengjia**”) and its production factory is situated in Yangjiang City, Guangdong Province, the People’s Republic of China (the “**PRC**”). Guangdong Hengjia sells its products to customers located in Yangjiang City and its surrounding cities in Guangdong Province.

Revenue from the PHC Pile and Others Business represented sales of pre-stressed high strength concrete pile, ready-mixed concrete and bricks which contributed approximately 26%, 70% and 4% (six months ended 30 June 2024 (“**FP2024**”): approximately 16%, 75% and 9%) respectively to the revenue of PHC Pile and Others Business of the Group for the six months ended 30 June 2025 (“**FP2025**”).

Revenue from external customers for FP2025 was HK\$98,234,000 compared with HK\$100,511,000 reported in FP2024, which decreased by approximately 2% due to the weakening of property and construction market.

Other losses, net

Other losses, net for FP2025 amounted to HK\$839,000 (FP2024: HK\$9,263,000), represented a decrease of approximately 91%, which was mainly due to the compliance with the environmental requirements, part of the production facilities have to be relocated or re-arranged and this gives rise to a loss on disposal of property, plant and equipment amounting to approximately HK\$8,583,000 for FP2024.

Selling and distribution expenses

Selling and distribution expenses for FP2025 amounted to HK\$17,654,000 (FP2024: HK\$20,927,000), represented a decrease of 16%. The decrease in selling and distribution expenses for FP2025 was mainly due to the decrease in transportation costs. Selling and distribution expenses for FP2025 mainly comprised transportation costs of HK\$16,201,000.

Administrative expenses

Administrative expenses for FP2025 amounted to HK\$10,000,000 (FP2024: HK\$9,861,000), representing an increase of 1%, which was mainly due to the increase in legal and professional expenses. Administrative expenses for FP2025 mainly comprised staff costs (including directors' remuneration) of HK\$5,391,000.

Finance costs

Finance cost for FP2025 amounted to HK\$1,261,000 (FP2024: HK\$592,000), representing an increase of 113%, which was due to the increase in interest on interest-bearing borrowings (other than unsecured bond) and lease liabilities during FP2025. Finance costs for FP2025 were interest on interest-bearing borrowings (other than unsecured bond) of HK\$720,000, interest expenses for unsecured bond of HK\$112,000 and interest on lease liabilities of HK\$429,000.

Loss before tax

Loss before tax was HK\$15,122,000 for FP2025 compared with loss before tax of HK\$24,459,000 reported in FP2024. It was mainly due to the decrease in other losses, net for FP2025 as compared with those reported in FP2024. The gross profit for FP2025 was HK\$14,972,000 compared with HK\$16,811,000 reported in FP2024, which decreased by 11%. The overall gross profit ratio decreased from 16.7% in FP2024 to 15.2% in FP2025 because of the decrease in profitability of the bricks.

INTERIM DIVIDEND

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its operations with equity fund raising activities, internally generated cash flow, banking facilities provided by its principal bankers in the PRC and convertible notes issued. As at 30 June 2025, equity attributable to owners of the Company was HK\$52,033,000, representing a decrease of approximately 16% as compared with that as at 31 December 2024. As at 30 June 2025, the Group's cash and cash equivalents stood at HK\$8,384,000 which were denominated in Hong Kong Dollars and Renminbi whereas total interest-bearing borrowings were HK\$12,102,000. The annual interest rates of the borrowings for FP2025 ranged from 1.91% to 7.50% per annum. Approximately 69% of the total interest-bearing borrowings were accounted for as current liabilities of the Group. The above borrowings were denominated in Hong Kong Dollar and Renminbi. During FP2025, the Group did not use any financial instruments for any hedging purposes. The gearing ratio, which was computed by dividing the current liabilities and non-current liabilities by total equity, was approximately 273% as at 30 June 2025.

SIGNIFICANT INVESTMENT, ACQUISITION AND DISPOSAL

The Group has no significant investment, acquisition and disposal during FP2025.

CAPITAL STRUCTURE

Convertible notes

As at 30 June 2025, the Company had outstanding 2014 convertible notes (the “**2014 CN**”) and 2024 convertible notes (the “**2024 CN**”) with principal amounts of HK\$15,000,000 and HK\$30,000,000 respectively. Based on the opinions obtained from the legal adviser of the Company, in view of the on-going legal proceedings mentioned under the paragraphs headed “Contingent Liabilities” and “Legal Proceedings” in this announcement, the Company maintains the position that all remaining 2014 CN of the Company are void and are not capable of converting into shares of the Company.

Share subscription and issue of convertible notes

On 6 September 2024, the Company entered into the following agreements with Wealthy Port Holdings Limited (“**Wealthy Port**”), the then controlling shareholder of the Company, which is beneficially owned by Mr. Chim Pui Chung:

- (1) share subscription agreement pursuant to which the Company has conditionally agreed to allot and issue 35,920,000 ordinary shares of HK\$0.1 each to Wealthy Port at a price of HK\$0.1 per share (“**Share Subscription**”); and

- (2) the 2024 CN subscription agreement pursuant to which the Company has conditionally agreed to issue the 2024 CN in the principal amount of HK\$30,000,000 to Wealthy Port. The 2024 CN subscription price was partially set-off against the amount due by the Company to Wealthy Port as a Shareholder in the amount of HK\$22,677,000 and the balance of HK\$7,323,000 was paid by Wealthy Port in cash upon completion. Based on the initial conversion price of HK\$0.1 per conversion share, a maximum number of 300,000,000 conversion shares will be allotted and issued upon exercise of the conversion rights attaching to the 2024 CN in full.

Both of the Share Subscription and the issuance of the 2024 CN were completed on 29 November 2024 and it was expected that the net proceeds arising from Share Subscription and the issuance of the 2024 CN, in the total amount of approximately HK\$10.3 million (before general offer expenses of approximately HK\$1.4 million), would be used for general working capital purposes. During the period ended 30 June 2025, the net proceeds was utilised as follows:

Intended usage of the net proceeds	Estimated amount (HK\$ million)	Actual usage as at 1 January 2025 (HK\$ million)	Actual usage during the period ended 30 June 2025 (HK\$ million)	Actual usage as at 30 June 2025 (HK\$ million)
Directors' remuneration and staff costs	3.90	0.34	1.03	1.37
Audit fee and other legal and professional expenses	4.40	1.37	1.23	2.60
Rental and others	2.00	0.20	0.34	0.54
Total	10.30	1.91	2.60	4.51

The utilised net proceeds as at 30 June 2025 is expected to be utilised in accordance with the intended usage during the year ending 31 December 2025.

Share options

No share options were granted, exercised, cancelled or lapsed during FP2025 and FP2024.

PLEDGED OF ASSETS

Details of pledged of assets of the Group are set out in note 14.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had approximately 263 full-time management, administrative, technical and production staff in the PRC and Hong Kong. Their remuneration, promotion and salary review are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practice. The Group's Directors and employees in Hong Kong joined the Mandatory Provident Fund Scheme.

FOREIGN EXCHANGE AND CURRENCY RISKS

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB") and Hong Kong Dollars ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against RMB. The Group has a net exchange exposure to RMB as the Group's assets are principally located in the PRC. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented in a timely and effective manner.

COMMITMENTS

The Group did not have material capital commitments as at 30 June 2025 (31 December 2024: Nil).

IMPORTANT EVENTS AFFECTING THE GROUP WHICH HAVE OCCURRED SINCE THE END OF THE FINANCIAL PERIOD

The Group did not have important events affecting the Group which have occurred since the end of the financial period.

CONTINGENT LIABILITIES

Please refer the details to Note 1 under the section of "Legal Proceedings" relating to the Plaintiffs (comprising the Company and First Billion Global Limited) and the Defendants (comprising Xiao Guang Kevin (蕭光) and Wang Zhining (王志寧)). Pleadings had recently been amended on 16 September 2022, in that the Defendants had belatedly lodged counterclaims, in the total amount of HK\$262 million, against the Plaintiffs.

According to the legal opinion dated 31 March 2023 which is updated on 17 March 2025, the counterclaims, which may be disallowed, be recognised as contingent liability on the following groundings:

- (a) the counterclaims belatedly raised recently so that it may be time-barred and/or is an abuse of process of the court; and
- (b) the counterclaims may be dismissed because of the breaches, which are supported by an independent professional adviser's investigation report dated 24 July 2015, and misrepresentations made by the Defendants as stated in the Amended Statement of Claim.

PROSPECT

According to Yangjiang Daily on 6 February 2025, the deputy director of the Development and Reform Bureau of Yangjiang stated that:

1. Yangjiang municipal committee and municipal government will follow their work arrangements, striving to achieve the target of an approximately 5% growth in local GDP and further drive fixed investment amount to exceed RMB70 billion;
2. focuses will be attached to green energy, commercial aerospace, low-altitude economy, marine ranching and other aspects;
3. construction of a multi-billion-dollar energy base will be accelerated to further promote the reputation of our "International Wind Power City";
4. construction of key provincial and municipal projects will be promoted vigorously; and
5. construction of Yangjiang Airport and Guangzhou-Zhanjiang High-speed Railway will be accelerated.

In addition, Guangdong Province's GDP reached approximately RMB14 trillion last year, ranking first nationwide for 36 consecutive years. Guangdong Province's total import and export volume exceeded RMB9 trillion last year, ranking first nationwide for 39 consecutive years.

The Directors consider that these policies and historical records will have positive effects to the construction material industry in the Guangdong Province and thus can benefit the Group. In addition, the Group has committed to expand the business scale by exploring new business, bringing new growth and momentum to the Group.

UPDATES ON DIRECTOR'S INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and based on the confirmations from the Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules for the six months ended 30 June 2025 and up to the date of this announcement.

LEGAL PROCEEDINGS

As at the date of this announcement, the Company or its subsidiaries were involved in the following material legal proceedings:

1. The Company/its subsidiary as the plaintiff

By a Generally Indorsed Writ of Summons dated 23 June 2015 and Statement of Claim dated 18 August 2015 issued by the Company and First Billion Global Limited, a wholly-owned subsidiary of the Company (collectively, the “**Plaintiffs**”) against Xiao Guang Kevin (蕭光) (“**Mr. Xiao**”) and Wang Zhining (王志寧) (“**Mr. Wang**”) (collectively, the “**Defendants**”), the vendor and the guarantor, respectively, all of whom were parties to a very substantial acquisition of the Company (the “**VSA**”) as announced by the Company in its announcement dated 30 January 2014 and its circular dated 31 March 2014, the Plaintiffs claimed that the Defendants had fundamentally breached the terms and conditions of the sale and purchase agreement dated 3 October 2013 (the “**SPA Legal Proceedings**”). Accordingly, the Plaintiffs were seeking to rescind the SPA under which, as part of the consideration price, certain convertible notes were issued by the Company to Mr. Xiao. As at 30 June 2025, the outstanding convertible notes, with principal amount of HK\$15,000,000, were under dispute.

On 16 March 2017, the Plaintiffs filed an Amended Statement of Claim to the Court of First Instance adding Ms. Liu Qian (劉倩) (“**Ms. Liu**”) as a defendant to the SPA Legal Proceedings claiming, amongst other things, that Ms. Liu was a nominee of Mr. Wang and further claimed against the Defendants for misrepresentation regarding the undisclosed guarantees given by Zhuhai Hoston in favour of Wang Tian (王天) which had led to the Group's involvement in such litigation.

Pleadings had recently been amended on 16 September 2022, in that the Defendants had belatedly lodged counterclaims, as mentioned under the section of “Contingent Liabilities”, against the Plaintiffs. The Plaintiffs accordingly prepared a defence to such counterclaims which was also filed on 17 November 2022.

In early 2023, Ms. Liu had requested to discontinue her claims against the Company provided that the Plaintiffs discontinued their claims against Ms. Liu upon the receipt of the convertible notes with principal amount of HK\$15,000,000 by the Company's

solicitors from Ms. Liu's solicitors. According to the consent order dated 21 June 2023, the Plaintiffs' claims against Ms. Liu was dismissed with no order as to costs.

2. The Company's subsidiary as the defendant

- (a) Reference was made to the Company's announcement dated 11 November 2016 and the Annual Report 2024 in relation to the legal proceedings involving 寇金水 (Kou Jinshui) and 珠海河川商貿有限公司 (Zhuhai Hechuan Commercial and Trade Co., Ltd.*) ("**Zhuhai Hechuan**"), independent third parties, as Plaintiffs and Zhuhai Hoston, an indirectly non-wholly owned (95%) subsidiary of the Company, as defendant. Upon the application of Kou Jinshui, who was also the legal representative of Zhuhai Hechuan, Zhuhai Hoston's 70% equity interest in Guangdong Hengjia was suspended for the three years from 23 August 2022 to 22 August 2025 (the "**Frozen Shares**") by the Xiangzhou People's Court (the "**Xiangzhou Court**") pursuant to an execution order dated 9 August 2022. On 10 April 2023, it was held by the Xiangzhou Court that the suspended equity interest in Guangdong Hengjia be reduced from 70% to 50%.

As at 30 June 2025, the total outstanding amounts including interest due by Zhuhai Hoston to Kou Jinshui and Zhuhai Hechuan were approximately RMB2.3 million and RMB4.9 million respectively. The freezing of the Frozen Shares is only an assets preservation measure by litigants in pending lawsuits. Nevertheless, the Group retains to have control and ownership in such Frozen Shares and there will not have material impact on the operations of Guangdong Hengjia. The outstanding debts will be handled as soon as possible.

- (b) Reference is made to the Company's announcement dated 12 December 2022, Sunway FM, an indirectly wholly-owned subsidiary of the Company, received a statutory demand (the "**First Statutory Demand**") on 9 December 2022 from Messrs. Gallant, a solicitors firm previously acting for Sunway FM, pursuant to Sections 178(1)(a) or 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), demanding Sunway FM to pay an amount of approximately HK\$958,000, being the outstanding fees and relevant interest incurred due and owed by Sunway FM for legal services previously provided.

The Board of the Company announces that on 15 November 2023, Sunway FM received a statutory demand (the "**Second Statutory Demand**") from Messrs. Gallant pursuant to Sections 178(1)(a) or 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), demanding Sunway FM to pay an amount of approximately HK\$754,000 (the "**Revised Outstanding Fees**"), being the outstanding fees due and owed by Sunway FM for legal services previously provided. The amount claimed under the Second Statutory Demand represents the revised claim amount under the First Statutory Demand as disclosed in the announcement dated 12 December 2022.

The Second Statutory Demand requested Sunway FM to settle the Revised Outstanding Fees within three weeks from the date of receipt of the Second Statutory Demand, failing which Messrs. Gallant may present a winding-up petition against Sunway FM. Given the Revised Outstanding Fees are in dispute, the Group is now seeking legal advice in respect of the said claim under the Second Statutory Demand.

Save as disclosed above and elsewhere in this announcement, as at the date of this announcement, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Group.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the “**Code**”) contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2025 and as at the date of this announcement, except for the following deviation:

Identity of the chairman and chief executive and whether their roles are separate

Following the resignation of Mr. Li Chongyang, former Managing Director, and Mr. Fok Po Tin, former Chairman, on 27 August 2021 and 1 January 2022 respectively, the Company had no designated Director to act as a chairman or a chief executive. The responsibility of a chairman or a chief executive rests with the board of directors of the Company and the Company fails to comply with code provision C.2.1 of the Code contained in Appendix C1 to the Listing Rules.

The Company has made endeavors however more time is required to identify suitable candidate to be the chairman and chief executive in order to comply with the Code. The Company will continue with such endeavors and will comply with the Code as soon as possible.

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the financial reporting, risk management and internal controls of the Group. The Audit Committee comprises the three independent non-executive Directors, namely Mr. Choi Pun Lap (chairman of the Audit Committee), Mr. Wong Yue Kwan Alan and Ms. Tsang Ngo Yin. The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2025 have been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2025.

PUBLICATION OF UNAUDITED INTERIM REPORT

The unaudited interim report 2025 of the Company containing all information required by the Listing Rules will be published on the website of the Company at <http://www.hk0058.com> and the website of the Stock Exchange at <http://www.hkexnews.hk> in due course.

By order of the Board
Sunway International Holdings Limited
Law Chun Choi
Executive Director and Company Secretary

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises one executive Director, namely, Mr. Law Chun Choi, one non-executive Director, namely, Mr. Yu Shui Sang Bernard, and three independent non-executive Directors, namely, Mr. Choi Pun Lap, Mr. Wong Yue Kwan Alan and Ms. Tsang Ngo Yin.

* *For identification purpose only*