HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED
華聯國際（控股）有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 969)

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

The board of directors (the "**Board**") of Hua Lien International (Holding) Company Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30th June 2025 together with the comparative figures as follow:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30th June 2025

		Six months ended 30th June	
		2025	2024
		(unaudited)	(unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	*(3)*	**73,486**	87,896
Cost of sales		**(44,976)**	(54,214)
Gross profit		**28,510**	33,682
Changes in fair value of biological assets	*(11)*	**(1,172)**	(5,114)
Other income, net		**3,064**	3,582
Administrative expenses		**(17,256)**	(19,346)
Other operating expenses	*(4)*	**(3,342)**	(3,086)
Finance costs	*(5)*	**(22,928)**	(20,325)
Loss before income tax expense		**(13,124)**	(10,607)
Income tax expense	*(7)*	**—**	—
Loss for the period	*(6)*	**(13,124)**	(10,607)

	Notes	Six months ended 30th June **2025** **(unaudited)** ***HK$'000***	 2024 (unaudited) *HK$'000*
Loss for the period attributable to:			
Owners of the Company		**(7,471)**	(9,666)
Non-controlling interests		**(5,653)**	(941)
		(13,124)	(10,607)
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**3,979**	8,028
Total comprehensive loss for the period		**(9,145)**	(2,579)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(7,552)**	(3,648)
Non-controlling interests		**(1,593)**	1,069
		(9,145)	(2,579)
		HK Cent	*HK Cent*
Loss per share	*(8)*		
— Basic (cents per share)		**(0.3410)**	(0.4411)
— Diluted (cents per share)		**(0.3410)**	(0.4411)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June 2025

	Notes	**30th June 2025 (unaudited) *HK$'000***	31st December 2024 (audited) *HK$'000*
Non-current assets			
Property, plant and equipment	*(10)*	**12,233**	5,210
Intangible asset		**—**	—
Right-of-use assets		**—**	—
Total non-current assets		**12,233**	5,210
Current assets			
Biological assets — growing cane	*(11)*	**10,428**	15,849
Inventories	*(12)*	**48,260**	11,223
Trade and other receivables	*(13)*	**4,228**	3,776
Bank balances, deposits and cash		**34,961**	29,717
Total current assets		**97,877**	60,565
Total assets		**110,110**	65,775
Current liabilities			
Trade and other payables	*(14)*	**560,088**	533,886
Contract liabilities		**1,491**	2,003
Lease liabilities		**1,263**	1,344
Amount due to non-controlling interests		**659,896**	631,268
Total current liabilities		**1,222,738**	1,168,501
Net current liabilities		**(1,124,861)**	(1,107,936)
Total assets less current liabilities		**(1,112,628)**	(1,102,726)
Non-current liabilities			
Lease liabilities		**23,270**	24,027
Net liabilities		**(1,135,898)**	(1,126,753)
Capital and reserves			
Share capital		**219,118**	219,118
Reserves		**(1,135,277)**	(1,127,725)
Capital deficiency attributable to owners of the Company		**(916,159)**	(908,607)
Non-controlling interests		**(219,739)**	(218,146)
Total capital deficiency		**(1,135,898)**	(1,126,753)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30th June 2025 have been prepared in accordance with Hong Kong Accounting Standard (the "**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). This should be read in conjunction with the annual financial statements of the Group for the year ended 31st December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRS**").

Going concern basis

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. The Group incurred a consolidated net loss of approximately HK$13,124,000 during the period (six months ended 30th June 2024: approximately HK$10,607,000) and as of that date, the Group had net current liabilities and net liabilities of approximately HK$1,124,861,000 (31st December 2024: approximately HK$1,107,936,000) and approximately HK$1,135,898,000 (31st December 2024: approximately HK$1,126,753,000) respectively. These conditions may cast significant doubt about the Group's ability to continue as a going concern.

In view of these circumstances and for the purpose of assessing the appropriateness of the use of the going concern basis in the preparation of the consolidated financial statements, the directors have prepared a cash flow forecast ("**Forecast**") covering a period of 12 months from the date of approval of these consolidated financial statements for issue. In preparing the Forecast, careful considerations are given to the future liquidity and performance of the Group and its available sources of finance and the following measures:

(a) the substantial shareholder, Guangken Sugar Industry International Co., Ltd. (formerly known as, COMPLANT International Sugar Industry Co., Ltd.) ("**Guangken Sugar**"), had granted another irrevocable supplemental undertaking (the "**Third Supplemental Undertaking**") on 22th December 2023 in favour of the Company. Pursuant to the Third Supplemental Undertaking, conditional upon the entering into of an agreement for a formal repayment plan, Guangken Sugar will not demand repayment of or performance of obligations under the amount payable on demand of HK$518,099,000 before 31st December 2025 (the "**Extended Period**");

(b) Guangken Sugar has undertaken at least for the period of the Forecast to provide continuing financial support, including not to recall the amounts due to it, until the Group is able to pay its other creditors in the normal course of business, in order to maintain the Group as a going concern; and

(c) The Company will take the Extended Period to improve its financial performance of the Group to enable the Company to bargain for more favourable terms when restructuring the liabilities.

Assuming the achieving of the Forecast (which had contemplated the continuing financial support from Guangken Sugar remaining intact and its capability of doing so) and the successful implementation of the above measures, the directors were of the opinion that the Group would have sufficient financial resources to finance the operations and meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis notwithstanding that a material uncertainty exists related to the above conditions that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. BASIS OF PREPARATION *(Continued)*

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their net realisable amounts, to provide for any further liabilities that 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 consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, except for biological assets and certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements for the six months ended 30th June 2025 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31st December 2024.

(a) New and amendments to standards adopted by the Group

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA for the preparation of the Group's unaudited condensed consolidated financial statements:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these unaudited condensed consolidated financial statements and/or disclosures set out in these unaudited condensed consolidated financial statements.

(b) The following new or revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group has already commenced an assessment of the impact of these new and amendments to Standards and none of those are expected to have material impact on the Group's accounting policies.

Standards	**Subject of amendment**
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — dependent Electricity[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]

[1] Effective for annual periods beginning on or after 1 January 2026

[2] Effective for annual periods beginning on or after 1 January 2027

3. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in provision of supporting services and sweetener business and cultivation of sugar cane and manufacturing of sugar. Turnover represents the invoiced value of goods sold to external customers during the period, after allowances for returns and trade discounts. The Group recognised revenue at a point in time.

The Group's reportable and operating segments, based on information reported to the chief executive officer, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of goods. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

— Supporting services to sweetener and ethanol business (the "**Supporting services**");

— Sugar cane growing and sugar manufacturing business (the "**Sugar business**"); and

— Ethanol biofuel business (the "**Ethanol business**").

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

	Supporting services (unaudited) *HK$'000*	**Sugar business (unaudited)** *HK$'000*	**Ethanol business (unaudited)** *HK$'000*	**Total (unaudited)** *HK$'000*
Six months ended 30th June 2025				
Segment revenue from contracts with customers				
Segment revenue	**—**	**73,486**	**—**	**73,486**
Inter-segment sales	**—**	**—**	**—**	**—**
Segment revenue from external customers	**—**	**73,486**	**—**	**73,486**
Segment results	**4,328**	**(22,443)**	**848**	**(17,267)**
Unallocated corporate income, net				**4,143**
Loss before income tax				**(13,124)**
At 30th June 2025				
Assets and liabilities				
Segment assets	**10,035**	**94,507**	**345**	**104,887**
Corporate and other unallocated assets				**5,223**
Total assets				**110,110**
Segment liabilities	**9,100**	**717,700**	**—**	**726,800**
Corporate and other unallocated liabilities				**519,208**
Total liabilities				**1,246,008**

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

	Supporting services (unaudited) *HK$'000*	Sugar business (unaudited) *HK$'000*	Ethanol business (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Six months ended 30th June 2024				
Segment revenue from contracts with customers				
Segment revenue	—	87,896	—	87,896
Inter-segment sales	—	—	—	—
Segment revenue from external customers	—	87,896	—	87,896
Segment results	(612)	(2,541)	(704)	(3,857)
Unallocated corporate income, net				(6,750)
Loss before income tax				(10,607)
At 31st December 2024				
Assets and liabilities				
Segment assets	10,008	48,751	343	59,102
Corporate and other unallocated assets				6,673
Total assets				65,775
Segment liabilities	9,072	664,167	—	673,239
Corporate and other unallocated liabilities				519,289
Total liabilities				1,192,528

Inter-segment sales are conducted with terms mutually agreed by both contract parties.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent results of each segment without allocation of central administration costs, directors' remuneration, interest income and finance costs. This is the measure reported to the chief executive officer with respect to the resource allocation and performance assessment.

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

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

— All assets are allocated to operating segment, other than certain bank balance and cash of head office.

— All liabilities are allocated to operating segments, other than other payables and accrued liabilities of head office.

Other reportable segment information

Six months ended 30th June 2025	**Supporting services (unaudited)** ***HK$'000***	**Sugar business (unaudited)** ***HK$'000***	**Ethanol business (unaudited)** ***HK$'000***	**Total (unaudited)** ***HK$'000***
Amounts included in the measure of segment result for segment assets:				
Additions to property, plant and equipment	**—**	**12,376**	**—**	**12,376**
Depreciation	**—**	**1,855**	**—**	**1,855**
Impairment loss on property, plant and equipment	**—**	**3,342**	**—**	**3,342**

Six months ended 30th June 2024	Supporting services (unaudited) *HK$'000*	Sugar business (unaudited) *HK$'000*	Ethanol business (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Amounts included in the measure of segment result for segment assets:				
Additions to property, plant and equipment	—	3,125	—	3,125
Depreciation	—	1,212	—	1,212
Impairment loss on property, plant and equipment	—	1,499	—	1,499
Impairment loss on trade receivables	332	—	—	332
Write-down on inventory of spare parts for property, plant and equipment	—	1,255	—	1,255

3. TURNOVER AND SEGMENT INFORMATION *(Continued)*

Geographic Information

Revenue from external customers

	Six months ended 30th June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Jamaica	**73,486**	87,896
The United States	**—**	—
	73,486	87,896

The revenue information from operations above is based on the location of the customers.

Non-current assets

	30th June	31st December
	2025	2024
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Jamaica	**12,226**	5,203
The People's Republic of China	**7**	7
African Countries	**—**	—
	12,233	5,210

The non-current assets information is based on the location of assets.

4. OTHER OPERATING EXPENSES

	Six months ended 30th June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Impairment loss on property, plant and equipment	**3,342**	1,499
Write-down on inventory of spare parts for property, plant and equipment	**—**	1,255
Impairment loss on trade receivables	**—**	332
	3,342	3,086

5. FINANCE COSTS

	Six months ended 30th June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest on amounts due to non-controlling interests	**9,312**	11,590
Interest on lease liabilities	**964**	974
Exchange loss on amount due to non-controlling interests	**12,652**	7,761
	22,928	20,325

6. LOSS FOR THE PERIOD

	Six months ended 30th June	
	2025	2024
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss for the period has been arrived at after charging:		
Cost of inventories recognised as an expense	**44,976**	54,214
Depreciation of property, plant and equipment	**1,855**	1,212
Short-term leases expenses	**286**	283
Loss on disposal of property, plant and equipment	**33**	74
Write-down on inventory of spare parts for property, plant and equipment	**—**	1,255

7. INCOME TAX EXPENSE

No provision for income tax has been made in the unaudited condensed consolidated interim financial statements as the Company and its subsidiaries have no assessment profits or there is no taxation in relevant jurisdictions where they operate.

8. LOSS PER SHARE

The calculation of basic loss per share was based on the consolidated loss for the period attributable to equity holders of the Company of approximately HK$7,471,000 (six months ended 30th June 2024: approximately HK$9,666,000), and the weighted average number of 2,191,180,000 (30th June 2024: 2,191,180,000) ordinary shares in issue during the period.

No diluted earnings per share is calculated for both the six months period ended 30th June 2025 and 30th June 2024 as there was no potential diluted ordinary share in existence.

9. DIVIDEND

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

10. ADDITIONS OF PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$12,376,000 (six months ended 30th June 2024: approximately HK$3,125,000) on acquisition of property, plant and equipment.

11. BIOLOGICAL ASSETS — GROWING CANE

	30th June 2025 (unaudited)	31st December 2024 (audited)
	HK$'000	*HK$'000*
Opening balance	**15,849**	17,606
Cane cultivation cost capitalised	**36,758**	49,056
Decrease in fair value of cane harvested	**(40,753)**	(38,411)
Change in fair value	**(1,172)**	(12,125)
Exchange realignment	**(254)**	(277)
Closing balance	**10,428**	15,849

The decrease in fair value of growing cane for the period ended of approximately HK$1,172,000 (six months ended 30th June 2024: approximately HK$5,114,000) was reflected in the profit or loss.

12. INVENTORIES

	30th June 2025 (unaudited)	31st December 2024 (audited)
	HK$'000	*HK$'000*
Consumables and components	**45,872**	41,626
Good in transit	**14**	401
Sugar and molasses	**32,896**	152
	78,782	42,179
Write-down	**(30,522)**	(30,956)
Net realisable value	**48,260**	11,223

12. INVENTORIES *(Continued)*

At 30th June 2025, the sugar and molasses consisted of 4,634 tonnes (31st December 2024: 21 tonnes) of raw sugar and 11 tonnes (31st December 2024: Nil) of molasses with carrying amounts of approximately HK$32,884,000 (31st December 2024: approximately HK$152,000) and HK$12,000 (31st December 2024: HK$ Nil) respectively.

During the period ended 30th June 2025, there was no write-down of inventories (six months ended 30th June 2024: HK$1,255,000) for consumables and components related to property, plant and equipment. Movement in write-down of consumables and components during the period/year was as follows:

	30th June 2025 (unaudited) ***HK$'000***	31st December 2024 (audited) *HK$'000*
At the beginning of the period/year	**30,956**	27,725
Write-down on inventory of spare parts for property, plant and equipment	**—**	3,668
Exchange realignment	**(434)**	(437)
At the end of period/year	**30,522**	30,956

13. TRADE AND OTHER RECEIVABLES

	30th June 2025 (unaudited) ***HK$'000***	31st December 2024 (audited) *HK$'000*
Trade receivables	**43,871**	42,877
Less: Impairment loss	**(42,796)**	(42,800)
	1,075	77
Prepayments	**2,103**	2,475
Other receivables and deposits	**1,050**	1,224
	4,228	3,776

The Group does not hold any collateral over these balances.

13. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group allows a credit period of 90-365 days (31st December 2024: 90-365 days) to its customers of Supporting services, 30 days (31st December 2024: 30 days) to customers of raw sugar trading and 60 days (31st December 2024: 60 days) to customers of molasses trading. The following is an ageing analysis of trade receivables presented based on the invoice date and prior to impairment loss at the end of the reporting period are as follows:

	30th June 2025 (unaudited) *HK$'000*	31st December 2024 (audited) *HK$'000*
0 — 30 days	**342**	3
31 — 60 days	**2**	—
61 — 90 days	**701**	3
91 — 365 days	**31**	71
> 365 days	**42,795**	42,800
	43,871	42,877

The other classes within trade and other receivables do not contain impaired assets.

The Group recognised impairment loss based on the accounting policy for the period and year ended 30th June 2025 and 31st December 2024 respectively

14. TRADE AND OTHER PAYABLES

	30th June 2025 (unaudited) *HK$'000*	31st December 2024 (audited) *HK$'000*
Trade payables	**2,078**	1,940
Other payables and accrued liabilities	**558,010**	531,946
	560,088	533,886

Trade payables credit period granted by trade creditors of Supporting services is 0-365 days (31st December 2024: 0-365 days) while credit period granted by trade creditors of Sugar business is 30 days (31st December 2024: 30 days).

14. TRADE AND OTHER PAYABLES *(Continued)*

The following is an analysis of trade payables by age based on due date.

	30th June 2025 (unaudited) *HK$'000*	31st December 2024 (audited) *HK$'000*
Not yet due	**74**	678
Overdue 1 — 90 days	**1,709**	963
Overdue 91 — 180 days	**—**	—
Overdue 181 — 365 days	**—**	19
Overdue > 365 days	**295**	280
	2,078	1,940

The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

As at 30th June 2025 and 31st December 2024, included in other payables and accrued liabilities was an amount due to Guangken Sugar of approximately HK$518,099,000 upon the maturity of the convertible notes on 27th February 2019. The amount due was unsecured, interest-free and repayment on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OVERALL PERFORMANCE

For the six months ended 30th June 2025, the turnover of the Group decreased by approximately 16.4% to approximately HK$73.5 million (six months ended 30th June 2024: approximately HK$87.9 million).

The amount of overall gross profit for the period decreased by approximately HK$5.2 million to approximately HK$28.5 million (six months ended 30th June 2024: approximately HK$33.7 million) and the overall gross profit margin increased slightly by about 0.5 percentage point to approximately 38.8% (six months ended 30th June 2024: approximately 38.3%). As further elaborated below, such slight increase of gross profit percentage in amount and percentage was mainly due to the selling prices adjustment during the period.

The loss for the period increased by approximately HK$2.5 million to approximately HK$13.1 million (six months ended 30th June 2024: approximately HK$10.6 million).

As further elaborated below, the increase in loss before taxation was mainly due to the net combined effect of positive impacts and negative impact. The positive impacts which included: (i) a decrease of loss on fair value of biological assets of approximately HK$3.9 million as a result of expansion in sugar planting area by 101 hectares; (ii) a decrease in administrative expenses of approximately HK$2.1 million mainly as a result of the decrease in legal and financial advisory fees for dealing with the mandatory general offer in last period; as well as the negative impacts which included: (iii) a decrease in gross profit of approximately HK$5.2 million due to the decline in sale volume which was caused by drop in production outputs; (iv) a decrease in other income of approximately HK$0.5 million mainly due to the decrease in sales of materials to sub-contractors; (v) an increase in other operating expense of approximately HK$0.2 million mainly for increase in impairment loss for bearer plant, during the period; and (vi) an increase of approximately HK$2.6 million in finance cost mainly by virtue of the increase in unrealised foreign exchange loss during the period.

Basic loss per share for the period was approximately HK0.34 cent (six months ended 30th June 2024: approximately HK0.41 cent).

The Directors do not recommend the payment of interim dividends for the six months ended 30th June 2025 (six months ended 30th June 2024: Nil).

Sugar Cane Growing and Sugar Manufacturing Business in Jamaica

Business review

The Joyful Right Limited is the holding company of Pan-Caribbean Sugar Company Limited ("**PCSC**") which has operated the three sugar estates, namely Bernard Lodge Sugar Estate, Monymusk Sugar Estate and Frome Sugar Estate and two sugar factories, namely Monymusk Sugar Factory and Frome Sugar Factory in Jamaica since 15 August 2011, a 70% indirectly owned subsidiary of the Company, together called "Joyful Right Group". Due to the severe business environment for the sugar cane growing and sugar manufacturing business in Jamaica, the Group has suspended certain agricultural and factory operations that are under serious loss since June 2016, which include two sugar estates of Bernard Lodge Sugar Estate and Monymusk Sugar Estate as well as one sugar factory of Monymusk Sugar Factory. Joyful Right Group resumed the operation of Monymusk Sugar Factory in year 2018 and suspended again the operation in year 2019 and continues to operate the Frome Sugar Estate and Frome Sugar Factory. The following analysis of sugar cane growing and sugar manufacturing business in Jamaica is based on Joyful Right Group.

For the turnover, Joyful Right Group recorded a turnover of approximately J$1,502.8 million (approximately HK$73.5 million) for the six months ended 30th June 2025 (six months ended 30th June 2024: approximately J$1,757.9 million (approximately HK$87.9 million)). Joyful Right Group sold approximately 4,936 tonnes of raw sugar amounting to approximately J$1,177.6 million (approximately HK$57.6 million) and approximately 7,990 tonnes of molasses amounting to approximately J$325.2 million (approximately HK$15.9 million) for the six months ended 30th June 2025 compared with approximately 6,251 tonnes of raw sugar amounting to approximately J$1,391.0 million (approximately HK$69.6 million) and approximately 10,509 tonnes of molasses amounting to approximately J$366.9 million (approximately HK$18.3 million) for the same period last year.

The above approximately 16.4% decrease in total revenue was mainly contributing from the approximately J$213.4 million (approximately HK$10.4 million) decrease in raw sugar and molasses revenue. The decrease in raw sugar and molasses revenue were the combined results of the approximately 7.2% and approximately 16.6% increase in average selling price of raw sugar and molasses respectively and of the approximately 21.0% and approximately 24.0% decrease in sales volume of raw sugar and molasses respectively. On the price side, the approximately 7.2% and approximately 16.6% increase in average price of raw sugar and molasses was mainly due to the adverse weather conditions in major sugar-producing regions impacted crop yields contributing to price increases. On the volume side, as explained in following paragraph, the approximately 21.0% and approximately 24.0% decrease in the sales volume of raw sugar and molasses respectively was resulting from approximately 1,600 tonnes (approximately 13.7%) and 1,100 tonnes (approximately 12.1%) decease in production output of raw sugar and molasses respectively.

Joyful Right Group produced approximately 9,500 tonnes of raw sugar and approximately 8,000 tonnes of molasses for the six months ended 30th June 2025 by crushing input of sugar cane of approximately 153,700 tonnes as compared with approximately 11,100 tonnes of raw sugar and approximately 9,100 tonnes of molasses for the six months ended 30th June 2024 by crushing input of sugar cane of approximately 176,200 tonnes. The approximately 1,600 tonnes (approximately 13.7%) decrease in production volume of raw sugar and approximately 1,100 tonnes (approximately 12.1%) declined in production volume in molasses were caused by the input of sugarcane decreased by about 22,600 tons (about 12.8%), so the total raw sugar and molasses output also decreased accordingly. The decrease in sugar cane input was due the impact of Hurricane Beryl and persistent rainfall last year resulting in decline in sugarcane yields.

The table below shows geographical analysis of turnover of sugar and molasses.

	Six months ended 30th June					
	2025			2024		
	J$'million	***HK$'million***	***% of Turnover***	*J$'Million*	*HK$'million*	*% of Turnover*
By region						
Jamaica	**1,502.8**	**73.5**	**100.0**	1,757.9	87.9	100.0
United States	**—**	**—**	**—**	—	—	—
	1,502.8	**73.5**	**100.0**	1,757.9	87.9	100.0

Jamaica remains the principal market for Joyful Right Group. The domestic sales in Jamaica accounted for 100.0% (six months ended 30th June 2024: approximately 100.0%) of total sales and the export to United States accounted for approximately 0.0% (six months ended 30th June 2024: approximately 0.0%). The change in sales mix was mainly due to the effect of reduction in competition from the closure of more sugar mills in Jamaica (like Golden Grove Factory in 2019 and Appleton Estate Sugar Factory in 2020). This reduction in competition resulted in the decrease in supply that contributed to the rise in sales volume of the domestic sales in Jamaica. Furthermore, the average selling price in Jamaica for this period was still higher than that in international markets. As production output fell by, the raw sugar produced during the period was only sufficient to fulfill the demand of local market in Jamaica and there is no excess surplus for export to United States during the period under review.

In terms of gross trading results, the Joyful Right Group recorded a gross profit of approximately J$583.0 million (approximately HK$28.5 million) for the six months ended 30th June 2025 (six months ended 30th June 2024: approximately J$673.6 million (approximately HK$33.7 million)). The amount of gross profit decreased by approximately J$90.6 million (approximately HK$4.4 million) with the decrease in sale volume when production declined. The gross profit margin increased by approximately 0.5 percentage point to approximately 38.8% for the six months ended 30th June 2025 as compared with approximately 38.3% for the same period last year. The approximately 0.5 percentage point increase in gross profit margin during the period was mainly because the approximately 7.2% and approximately 24.0% respective increase in average selling prices of raw sugar and molasses slightly greater than that of the production costs increase.

In term of net operation results, this segment recorded a net loss of approximately J$390.7 million (approximately HK$22.4 million) for the six months ended 30th June 2025 (six months ended 30th June 2024: approximately J$57.8 million (approximately HK$2.5 million)). The approximately J$332.9 million (approximately HK$19.9 million) decrease in net loss was mainly due to combined effect of following positive impacts and negative impacts. The positive impact on net operation results included a decrease of loss on fair value of biological assets of approximately J$78.3 million (approximately HK$3.9 million) as a result of expansion in sugar planting area by 101 hectares. Those negative impacts on net operation results included (i) an decrease in gross profit of approximately J$133.5 million (approximately HK$7.3 million) owing to the decrease in production output of raw sugar and molasses from the decrease in sugar cane input arising from the adverse weather during the period; (ii) a decrease in other income of approximately J$8.5 million (approximately HK$0.5 million) mainly from the decrease in sales of materials to sub-contractors; (iii) an increase in other expense of approximately J$6.4 million (approximately HK$0.3) million for the increase in impairment loss of bearer plant during the period; (iv) an increase in administrative expenses of approximately J$20.4 million (approximately HK$0.7 million) mainly resulting from increase in administrative staff cost during the period and (v) an increase of approximately J$242.4 million (approximately HK$15.0 million) in finance cost mainly by virtue of the increase in unrealised foreign exchange loss during the period.

Supporting services to sweetener and ethanol business

Business review

The turnover from customers outside the Group for the six months ended 30th June 2025 was HK$ Nil (six months ended 30th June 2024: HK$ Nil). The reason for no revenue during the six months ended 30th June 2025 was because the three years annual cap for the continuing connected transactions from 2019 to 2021 was voted down by independent shareholders on extraordinary general meeting held on 31st May 2019, the supporting services business segment cannot carry out any continuing connected transaction with its customers who presently are all connected parties, therefore, the supporting services business segment does not record any segment revenue during the six months ended 30th June 2025.

The gross profit for the six months ended 30th June 2025 was also HK$ Nil (six months ended 30th June 2024: HK$ Nil). The gross profit ratio after elimination of inter-segment sales was HK$ Nil (six months ended 30th June 2024: HK$ Nil). There was no gross profit because of no turnover from customers outside the Group as explained above.

The net operating profit of this segment for the six months ended 30th June 2025 was of approximately HK$4.3 million (six months ended 30th June 2024: the net operating loss of approximately HK$0.6 million). The net operating profit for the six months ended 30th June 2025 was mainly due to the net exchange gain on the translation of foreign currencies.

Ethanol Business

Business review

Reference is made to the announcement of the Company dated 3rd March 2014 in relation to the impairment losses on ethanol biofuel business in Benin. Terms used in this announcement shall have the same meanings as those defined in the announcement dated 3rd March 2014 unless otherwise defined herein.

The ethanol operation in Benin is operated by Compagnie Beninoise De Bioenergie SA ("**CBB**"), a company incorporated under the Republic of Benin with limited liability and is a 90% indirectly owned subsidiary of the Company. The construction of ethanol plant of CBB continues to suspend during the period because Benin Government is still unable to execute the Leased Land provision in the Cooperation Agreement and Leased Land is still unavailable for CBB for cultivation of cassava and/or sugar cane to supply raw materials of its production of bioethanol. Construction works were still under suspension pending for appropriate alternate business plan.

The net operating profit of this segment for the six months ended 30th June 2025 was of approximately HK$0.8 million (six month ended 30th June 2024: the net operating loss of approximately HK$0.7 million). The net operating profit for the six months ended 30th June 2025 was due to the net exchange gain on the translation of foreign currencies.

FINANCIAL REVIEW

Liquidity and Financial Resources Review

Equity

As at 30th June 2025, the Company had 2,191,180,000 outstanding ordinary shares of HK$0.1 each (31st December 2024: 2,191,180,000 shares).

Capital deficiency attributable to owners of the Company as at 30th June 2025 amounts to approximately HK$916.2 million (31st December 2024: approximately HK$908.6 million).

Borrowings

As at 30th June 2025, the Group's Hong Kong total borrowing (that consisted of amount payable on demand to Guangken Sugar, amounts due to non-controlling interests and lease liabilities) of approximately HK$1,202.5 million (31st December 2024: approximately HK$1,174.8 million), of which HK$518.1 million (31st December 2024: HK$518.1 million) was the amount payable on demand to Guangken Sugar, approximately HK$659.9 million (31st December 2024: approximately HK$631.3 million) was the amounts due to non-controlling interests and an approximately HK$24.5 million (31st December 2024: approximately HK$25.4 million) was the lease liabilities.

Gearing

As the shareholder's equity attributable to owners of the Company was a deficiency of approximately HK$916.2 million ((31st December 2024: approximately HK$908.6 million), the calculation of gearing ratio as at 30th June 2025 and 31st December 2024 were inappropriate.

Financial Resources

Bank deposits and cash balances as at 30th June 2025 amounted to approximately HK$35.0 million (31st December 2024: approximately HK$29.7 million), mainly denominated in Hong Kong Dollars, US Dollars and Jamaican dollars. The bank balances were placed in short term deposits with major banks in Hong Kong and Jamaica. The Bank deposits and cash balances decreased by approximately HK$5.3 million, of which (i) the net cash inflow from operating activities of approximately HK$8.4 million; (ii) the net cash used in investing activities of approximately HK$12.3 million; (iii) the net cash inflow from finance activities of approximately HK$9.4 million; and (iv) net negative effect of exchange rate change on cash and cash equivalents of approximately HK$0.2 million.

In view of net loss and capital deficiency positions of the Group, the management had implemented the measures, among others, to secure a letter of support from Guangken Sugar not to recall any of the amount due to it until the Group is able to pay its other creditors in the normal course of business as well as to carry out various cost control measures and budgetary controls in order to mitigate the Group's liquidity pressure and to improve the conditions of cash flow. In light of such implemented measures and the Group's cash flow projections, the management and also the Board were satisfied that the Group has the ability to continue to finance its business operations with the internally generated finance resources.

Treasury Policies

The Group continues to adhere to prudent treasury policies. The Group's overall financial and funding policies were aimed to control credit risk to lower the risk of credit sales, the liquidity risk to ensure that funds would be recovered on a timely basis to fulfill the requirement of debt repayment and to closely monitor the overall currency and interest rate exposures to minimize risks in their fluctuation. The Group did not use any derivative financial instruments to hedge for its risk exposure during the period ended 30th June 2025.

Foreign Exchange Exposure

The Group's operates in Jamaica and African countries, China and Hong Kong. During the period ended 30th June 2025, turnover was denominated mainly in US dollar and Jamaican dollar while its costs and expenses were primarily in Jamaican dollar and US dollar where the Group's continuing operations are based. The Group is exposed to potential foreign exchange risk as a result of fluctuations between those currencies that are not pegged. In addition, the main operational assets of the Group are located and denominated in local currencies in Jamaica and African countries while the Group's reporting currency is in Hong Kong dollar. This also exposes the Group to potential foreign exchange risk upon translation of those assets on each reporting date.

The Group did not enter into any arrangements or financial instruments for the purpose of hedging against the potential foreign exchange risks during the period under review. In the event that Jamaican dollar were to depreciated substantially against US dollar, the risk can be mitigated by increasing the sales denominated in US dollar. As for the operational assets of the Group, any foreign exchange losses due to translation of the carrying value of the assets to the Group's reporting currency on reporting dates are unrealised and non-cash in nature. As such, active hedging activities are not considered warranted. Nonetheless, management will monitor closely its foreign currency exposure to ensure appropriate measures are taken promptly against any significant potential adverse impact.

Pledge of assets

As at 30th June 2025 and 31st December 2024, the Group did not have any pledge of assets.

Capital Commitment

As at 30th June 2025 and 31st December 2024, the Group did not have any significant capital commitments.

EMPLOYEE REMUNERATION POLICY

Remuneration policies

Staff remuneration packages of the Group are comprised of salary and discretionary bonuses and are determined with reference to the market conditions and the performance of the Group and the individuals concerned. The Group also provided other staff benefits including medical insurance, provident funds and share options to eligible staff of the Group. The total remuneration paid to the employees (including pension costs and the directors' remuneration) of the Group in the period under review was approximately HK$33.2 million (six months ended 30th June 2024: approximately HK$29.9 million), of which, approximately HK$32.6 million (six months ended 30th June 2024: approximately HK$29.3 million) was the total staff cost expense in sugar cane growing and sugar manufacturing business in Jamaica. The increase in staff cost was mainly resulting from an approximately 6.7% increase in minimum wage in Jamaica.

As at 30th June 2025, the Group had 101 full time employees (31st December 2024: 144) and 449 temporary employees (31st December 2024: 408).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisition or disposal of subsidiaries, associates or jointly-controlled entities during the period under review.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Reference is made to the announcement made by the Company dated 1st February 2010 and definitions of this announcement are adopted herein, there is no new progress for the MOU signed by the Company and CADFund on 31st January 2010 in respect of the Possible Transactions during the period under review.

Except that, the Group had no other future plans for material investments and capital assets during the period under review.

SIGNIFICANT INVESTMENTS HELD

The Group had not made any significant investment during the period ended 2025 and 2024.

PROSPECTS

Sugar business segment

Raw sugar and molasses price in Jamaica is expected to be stable in second half of the year at moderate increase range of 2% to 4%. The inventory stock of raw sugars and molasses is expected to be fully converted into realized sales in second half of 2025. The overall revenue for year 2025 is expected to report a double-digit percentage decline rate which is at similar magnitude of first half of 2025. On the cost side, the production costs and administrative expenses do not expect a significant uprise in second half of 2025.

The adverse weather condition of persistent heavy rainfall during the first half of the year is improving. While the new investment on new harvesting machine during first half of the year will help to cure the shortage of supply of manual sugar cane cutters in coming crushing season. These two factors coupled with the expansion of growing areas for sugar cane may contribute to an increase the sugarcane yield for coming crushing.

The Jamaican government will continue to provide support to the local sugar industry. The main aspects are as follows: (i) providing road maintenance in sugarcane fields yearly; (ii) strictly restricting the raw sugar import to Jamaica to protect the local sugar industry; (iii) providing sugar cane freight subsidies to some specified sugar cane farmers to support their delivery of their sugarcane to sugar mills process; and (iv) maintaining the Caribbean Sugar Alliance, countries in the Caribbean should be given priority to importing sugar from other sugar-producing countries in the region which is maintaining a protected market places among member countries.

Supporting service segment

The Group expects that Sino-Africa Technology & Trading Limited will continue to suspend those continuing connected transactions with connected parties in second half of 2025.

The supporting service segment will continue to control the cash outflows through maintaining key employee in concurrent post and keeping a small office.

Ethanol business segment

For the Group's ethanol biofuel business, the construction of ethanol plant will continue to suspend in second half of 2025, pending for appropriate alternate business plan for this operation.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30th June 2025, the Company has complied with the code provisions of the Corporate Governance Code as set out in the Appendix 14 to the Rules Governing the Listing of Securities (the "**Code**"), except for the following deviation: —

Code Provision C.2.1 and C.2.4

Under the code provision C.2.1, the roles of chairman and chief executive officer (the "**CEO**") should be separate people and should not be performed by the same individual. The divisions of responsibilities between the chairman and CEO should be clearly established and set out in writing. Under the code provision C.2.4, the chairman should provide leadership for the board. The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner.

The Company segregates the role of Chairman from the Managing Director who also assumes the responsibilities of chief executive officer. Mr. Liaw Yuan Chian was the Managing Director till his resignation on 16th December 2010. The Company has not refilled these positions yet that calls for an exhaustive scrutiny in the selection. The Board considered the balance of power between the Board members and the balance of authority between the Board and the management have not been impaired after the resignation of the Managing Director, given that about half of the Board members are independent non-executive and a clear division of responsibilities are in place for the running of the business of the Group. The Company remains structured to ensure appropriate segregation of duties so that power is not concentrated in any one individual.

Code Provision C.1.6

Under the code provision C.1.6, independent non-executive Directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and development a balanced understanding of the views of shareholders. Due to other business engagements, the past independent non-executive director of Mr. Tan Chuen Yan Paul did not attend the annual general meeting held on 27th June 2025.

Non-compliance with Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25, 3.27A and 13.92 of the Listing Rules

During a certain period in June 2025, the Company tentatively failed to meet the requirements set out in (i) Rule 3.10(1) of the Listing Rules that the Company must have at least three independent non-executive Directors; (ii) Rule 3.10(2) of the Listing Rules that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; (iii) Rule 3.10A of the Listing Rules that the Company must appoint independent non-executive Directors representing at least one-third of the Board; (iv) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules; (v) Rule 3.25 and Rule 3.27A of the Listing Rules that each of the Remuneration Committee and the Nomination Committee must comprise a majority of independent non-executive Directors and (vi) Rule 13.92 of the Listing Rule for diversity of its board members, as a result of the retirement of retirement of independent non-executive Directors of Dr. Ng Lai Man Carmen and Mr. Tan Chuen Yan Paul at the annual general meeting of the Company on 27th June 2025. The Company has re-complied with the above requirements. For details, please refer to the announcements of the Company dated 30th June 2025 and 28th August 2025.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company's Audit Committee has reviewed the unaudited consolidated interim financial statements for the six months ended 30th June 2025. The audit committee is of the view that the unaudited consolidated interim results for the six months ended 30th June 2025 was prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The unaudited consolidated interim financial statements for the six months ended 30th June 2025 was also approved by the Board on 29th August 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules (the "**Model Code**"). Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of Hong Kong Exchange and Clearing Limited (www.hkexnews.hk) and the Company (http://www.irasia.com/listco/hk/hualien). The 2025 interim report of the Company will be despatched to the shareholders of the Company and will be available on both websites in due course.

By order of the Board
Hua Lien International (Holding) Company Limited
Wu Shurong
Chairman

Hong Kong, 29th August 2025

As at the date of this announcement, the Board comprises eight directors, of which five are executive directors, namely Mr. Wu Shurong, Ms. Huang Liping, Mr. Wang Xiang, Mr. Liu Jun and Mr. Li Baojian, and three are independent non-executive directors, Mr. Shi Zhu (duties suspended), Mr. Ma Yiu Tim and Mr. Cheng King Yip.

** For identification purpose only*