



盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 851

INTERIM REPORT

2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Quan (*Chairman*)

Mr. Zhao Yun

Non-Executive Director

Mr. Huang Shuanggang

Independent Non-Executive Directors

Mr. Zhang Jinfan

Ms. Huang Qin

Mr. Guo Yaoli

AUDIT COMMITTEE

Ms. Huang Qin (*Chairman*)

Mr. Zhang Jinfan

Mr. Huang Shuanggang

REMUNERATION COMMITTEE

Mr. Zhang Jinfan (*Chairman*)

Ms. Huang Qin

Mr. Guo Yaoli

NOMINATION COMMITTEE

Mr. Guo Yaoli (*Chairman*)

Mr. Zhang Jinfan

Ms. Huang Qin

COMPANY SECRETARY

Mr. Chiu Ming King (*FCG HKFCG (PE)*)

STOCK CODE

851

WEBSITE

www.shengyuanhk.com

SHARE REGISTRAR

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17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

REGISTERED OFFICE

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2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL OFFICE IN HONG KONG

Units 3208-9, 32/F

Grand Millennium Plaza COSCO Tower

No. 183 Queen's Road Central

Hong Kong

AUDITOR

Beijing Xinghua Caplegend CPA Limited

Certified Public Accountants and Registered

Public Interest Entity Auditors

1/F, GR8 InnoTech Centre

46 Tsun Yip Street

Kwun Tong

Hong Kong

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation

Bank of China (Hong Kong) Limited



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION



北京兴华
BEIJINGXINGHUA

TO THE BOARD OF DIRECTORS OF SHENG YUAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial information set out on pages 5 to 29, which comprise the interim condensed consolidated statement of financial position of Sheng Yuan Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2025 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

Beijing Xinghua Caplegend CPA Limited

Certified Public Accountants

Lee Sze Hei

Practising Certificate Number: P07720

Hong Kong, 21 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	5	12,098	14,410
Other gains and losses	6	1,172	17,476
Other income	7	1,569	1,660
Staff costs	8	(3,852)	(4,284)
Depreciation		(792)	(843)
Finance costs	8	(68)	(114)
Net (provision for)/write-back of impairment loss on financial assets		(27)	5,315
Other expenses		(3,116)	(3,236)
Profit before income tax	8	6,984	30,384
Income tax expense	9	(1,652)	(581)
Profit for the period		5,332	29,803
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
– Exchange differences on translating foreign operations		1	3
Other comprehensive income for the period		1	3
Total comprehensive income for the period		5,333	29,806
		HK cents	HK cents
Earnings per share	11		
– Basic		0.60	3.38
– Diluted		0.60	3.38

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	12	177	228
Right-of-use assets	13	1,730	2,471
Trading rights		–	–
Goodwill		–	–
Other assets		205	205
Long-term deposit	14	510	510
		2,622	3,414
CURRENT ASSETS			
Accounts and other receivables, deposits and prepayments	14	28,773	5,995
Held for trading investments	15	15,155	14,000
Deposit with maturities over 3 months when acquired		56,958	56,958
Trust bank balances held on behalf of clients		12,709	22,336
Cash and cash equivalents		25,776	44,043
		139,371	143,332
CURRENT LIABILITIES			
Accounts and other payables and accruals	16	13,793	24,827
Current tax liabilities		3,904	2,252
Lease liabilities	13	1,682	1,633
Contract liabilities		550	450
		19,929	29,162
NET CURRENT ASSETS		119,442	114,170
TOTAL ASSETS LESS CURRENT LIABILITIES		122,064	117,584
NON-CURRENT LIABILITIES			
Lease liabilities	13	145	998
		145	998
NET ASSETS		121,919	116,586



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
EQUITY			
Share capital	17	88,197	88,197
Reserves		33,722	28,389
Total equity		121,919	116,586

On behalf of the Board

Mr. Zhao Yun
Director

Mr. Zhou Quan
Director



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company							
	Share capital	Share premium	Shareholder's contribution	Capital redemption reserves	Currency translation reserve	Contributed surplus	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024 (Audited)	88,197	434,797	7,834	477	(1,356)	152,788	(598,039)	84,698
Profit for the period	-	-	-	-	-	-	29,803	29,803
Other comprehensive income:								
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	3	-	-	3
Total comprehensive income for the period	-	-	-	-	3	-	29,803	29,806
At 30 June 2024 (Unaudited)	88,197	434,797	7,834	477	(1,353)	152,788	(568,236)	114,504

	Attributable to owners of the Company							
	Share capital	Share premium	Shareholder's contribution	Capital redemption reserves	Currency translation reserve	Contributed surplus	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025 (Audited)	88,197	434,797	7,834	477	(1,354)	152,788	(566,153)	116,586
Profit for the period	-	-	-	-	-	-	5,332	5,332
Other comprehensive income:								
– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	1	-	-	1
Total comprehensive income for the period	-	-	-	-	1	-	5,332	5,333
At 30 June 2025 (Unaudited)	88,197	434,797	7,834	477	(1,353)	152,788	(560,821)	121,919



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax for the period		6,984	30,384
Adjustments for:			
Depreciation of property, plant and equipment		51	102
Depreciation of right-of-use assets	13	741	741
Finance costs	8	68	114
Net provision for/ (write-back) of impairment loss on financial assets		27	(5,315)
Dividend income from equity instrument	7	(482)	(451)
Net gain on disposal of debt instruments held at fair value through profit or loss		–	(17,326)
Fair value gain on held for trading investment	6	(1,155)	(15)
Interest income	7	(1,087)	(1,048)
Operating profit before working capital changes		5,147	7,186
(Increase)/ decrease in accounts and other receivables, deposits and prepayments		(21,615)	19,882
Decrease/ (increase) in trust bank balances held on behalf of clients		9,627	(656,529)
(Decrease)/increase in accounts and other payables and accruals		(11,034)	650,737
Increase/ (decrease) in contract liabilities		100	(69)
Cash (used in)/ generated from operations		(17,775)	21,207
Interest received from banks		380	1,048
Income tax paid		–	(1,793)
Net cash (used in)/ generated from operating activities		(17,395)	20,462

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
Notes	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES		
Consideration received in related to the debt instrument arrangement	—	21,825
Net cash flows generated from investing activities	—	21,825
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(68)	(113)
Repayment of lease liabilities	(805)	(760)
Net cash used in financing activities	(873)	(873)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(18,268)	41,414
Cash and cash equivalents at beginning of the period	44,043	47,166
Effect of foreign exchange rate changes, on cash held	1	3
Cash and cash equivalents at end of the year	25,776	88,583



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. GENERAL INFORMATION

Sheng Yuan Holdings Limited (the “Company”) is an exempted company with limited liability incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Units 3208–9, 32/F, Grand Millennium Plaza, Cosco Tower, No. 183 Queen’s Road Central, Sheung Wan, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The Company is an investment holding company. Its subsidiaries are principally engaged in provision of securities brokerage and financial services, asset management services, proprietary trading and trading business.

The interim condensed consolidated financial information for the six months ended 30 June 2025 were approved for issue by the board of directors on 21 August 2025.

2. ADOPTION OF NEW OR REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has applied the new and amendments and interpretations (the “new HKFRS Accounting Standards”) which are effective for the Group’s interim condensed consolidated financial information for the annual period beginning on 1 January 2025. HKFRS Accounting Standards include all applicable individual HKFRS Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The adoption of the following amendments to HKFRS Accounting Standards has no material impact on the Group’s interim condensed consolidated financial information:

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability (amendments)

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in compliance with HKAS 34 “Interim Financial Reporting” issued by the HKICPA and with the applicable disclosures required by Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. These interim condensed financial information should be read in conjunction with the 2024 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these interim condensed financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024.

4. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group’s major service lines as follows:

- (a) securities brokerage and financial services – provision of discretionary and nondiscretionary dealing services for securities and futures contracts, securities placing and underwriting services, margin financing and money lending services, corporate finance advisory, general advisory services and custodian services;
- (b) asset management services – provision of fund management and discretionary portfolio management and investment advisory services;
- (c) proprietary trading – investment holding and securities trading; and
- (d) trading business.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. SEGMENT INFORMATION (Continued)

During the six months ended 30 June 2025, there were no changes from prior periods in the measurement methods used to determine operating segments, reported segment profit or loss and reported segment assets and liabilities. No operating segments identified have been aggregated in arriving at the reportable segments of the Group. Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches.

	Securities brokerage and financial services HK\$'000	Asset Management Service HK\$'000	Proprietary Trading HK\$'000	Trading Business HK\$'000	Total HK\$'000
Six months ended 30 June 2025					
(Unaudited)					
Reportable segment revenue					
Total segment revenue	7,427	4,671	-	-	12,098
Inter-segment revenue	-	-	-	-	-
	7,427	4,671	-	-	12,098
Revenue from external customers					
— Fee and commission income	7,427	4,671	-	-	12,098
	7,427	4,671	-	-	12,098
Fee and commission income from external customers					
— Timing of revenue recognition					
Point in time	164	-	-	-	164
Over time	7,263	4,671	-	-	11,934
	7,427	4,671	-	-	12,098
Geographical region: Hong Kong	7,427	4,671	-	-	12,098
Reportable segment result	6,202	4,098	2,078	(3)	12,375
At 30 June 2025 (Unaudited)					
Reportable segment assets	16,662	4,771	15,872	-	37,305
Reportable segment liabilities	13,377	61	-	-	13,438

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. SEGMENT INFORMATION (Continued)

	Securities brokerage and financial services HK\$'000	Asset Management Service HK\$'000	Proprietary Trading HK\$'000	Trading Business HK\$'000	Total HK\$'000
Six months ended 30 June 2024					
(Unaudited)					
Reportable segment revenue					
Total segment revenue	10,688	8,793	–	172	19,653
Inter-segment revenue	(759)	(4,484)	–	–	(5,243)
	9,929	4,309	–	172	14,410
Revenue from external customers					
— Fee and commission income	9,929	4,309	–	–	14,238
— Financing services income	–	–	–	172	172
	9,929	4,309	–	172	14,410
Fee and commission income from external customers					
— Timing of revenue recognition					
Point in time	1,157	–	–	–	1,157
Over time	8,772	4,309	–	–	13,081
Revenue from other sources	–	–	–	172	172
	9,929	4,309	–	172	14,410
Geographical region: Hong Kong	9,929	4,309	–	172	14,410
Reportable segment result	5,140	10,522	19,678	300	35,640
At 30 June 2024 (Unaudited)					
Reportable segment assets	708,848	10,069	10,915	53	729,885
Reportable segment liabilities	737,779	600	12	52	738,443

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. SEGMENT INFORMATION (Continued)

The Group's reportable segment result is reconciled to the Group's profit before income tax as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Reportable segment result	12,375	35,640
Finance costs	(68)	(114)
Depreciation	(792)	(843)
Corporate expenses*	(4,531)	(4,299)
Group's profit before income tax	6,984	30,384

* mainly staff costs, including directors' emoluments and other professional fees.

5. REVENUE

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue from contracts with customers		
Fee and commission income		
Securities brokerage and financial services segment:		
– Securities and futures brokerage	164	1,157
– Corporate finance service income	6,000	6,480
– Consultancy fee income	83	127
– Custodian fee	1,180	2,165
Asset management services segment:		
– Fund and portfolio management and investment advisory	4,671	4,309
	12,098	14,238
Revenue from other sources		
Interest income calculated using the effective interest method		
– Financing services	–	172
Total	12,098	14,410

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net gain on disposal of debt investments held at fair value through profit or loss (<i>Note a</i>)	—	17,326
Changes in fair value of held for trading investments	1,155	15
Net foreign exchange gain	17	135
	1,172	17,476

Note:

- (a) On 8 September 2021, 15 September 2021 and 16 September 2021, the Group has subscribed for certain listed bonds and a note ("Atta Notes") issued by Atta Asset 4 Limited ("Atta Asset") in an aggregate principal amount of US\$29,580,000 (approximately HK\$230,724,000), comprising the Group's proprietary investment with a subscription amount of US\$2,500,000 (approximately HK\$19,500,000) and the Flourishing Fund's Subscriptions (as further explained below). In the opinion of the Directors, the Group's proprietary investment was financed by the Group's internal resources while the Flourishing Fund's Subscriptions was financed by a note of US\$27,080,000 (approximately HK\$211,224,000) carrying interest at 12.5% per annum ("Kingwell Notes") issued by the Group to Flourishing Fountain Investment Limited ("Flourishing"), an independent third party. The Flourishing Fund's Subscriptions comprised (i) subscription of certain listed bonds in the principal amount of US\$10,580,000 (approximately HK\$82,524,000) with coupon rate of 12.5% per annum; (ii) the subscription of certain listed bonds in the principal amount of US\$6,500,000 (approximately HK\$50,700,000) with coupon rate of 12.5% per annum and (iii) the entering into of the Atta Notes purchase agreement and the purchase of Atta Notes in the principal amount of US\$10,000,000 (approximately HK\$78,000,000) which shall pay interest of US\$740,000 semi-annually since 1 May 2022 and up to 7 May 2024 (equivalent to 14.8% per annum). Flourishing would bear the loss incurred (if any) by the Flourishing Fund's Subscriptions pursuant to the terms of the transaction documents with respect to the Kingwell Notes.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. OTHER GAINS AND LOSSES *(Continued)*

The effect of the purchase of the Atta Notes, which is a leveraged note, by the Group with the corresponding part of the proceeds from Kingwell Notes is that the Group has facilitated an additional leverage subscription of the listed bonds as Atta Assets has also subscribed for the listed bonds for economic hedge purpose. In this respect, pursuant to the terms of the Atta Notes and the Kingwell Notes, the Group is able to earn an interest spread of approximately 2% per annum of its principal subscription amount of the Atta Notes, being the difference between its interest receivables from the Atta Notes and its interest payables under the Kingwell Notes.

On 21 March 2024, the Group, Flourishing, and Atta Asset entered into a termination agreement in which Atta Asset shall pay the Group the principal and agreed interest of US\$10,000,000 (approximately HK\$78,000,000) and US\$3,330,000 (approximately HK\$25,841,000) (collectively referred to as the "Repayment Amount"). Specifically, (i) a total of US\$12,916,667 (approximately HK\$100,633,000) out of the Repayment Amount shall be settled separately between Atta Asset and Flourishing, which includes an aggregate principal amount of US\$10,000,000 (approximately HK\$78,000,000) together with interest of US\$2,916,667 (approximately HK\$22,633,000) on the Kingwell Notes obligation to Flourishing; and (ii) the remaining sum of US\$413,333 of the Repayment Amount shall be paid by Atta Asset to the Group.

On 26 April 2024, the Group and Flourishing entered into a settlement agreement in which Flourishing shall make payments to the Group in an aggregate amount of US\$2,442,200 (approximately HK\$18,951,000) and transfer its right to the proceeds received by the Group of US\$370,300 (approximately HK\$2,874,000) from the Flourishing Fund's subscriptions to the Group (the "Payoff"). Upon completion of the Payoff, the Group shall transfer the Flourishing Fund's subscriptions and the Group's proprietary investment to Flourishing, which shall be deemed to have redeemed all of the Kingwell Notes subscribed by Flourishing. The aggregate amount of the Payoff, US\$2,812,500 (approximately HK\$21,825,000), represents the proceeds from the disposal of the Group's debt instruments held at FVTPL.

Further details on the above transactions are detailed in the Company's announcements dated 12 August 2022, and 21 March 2024 and 26 April 2024 and the Company's circular dated 30 November 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

7. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Interest income from banks and others	1,087	1,048
Dividend income	482	451
Sundry income	–	161
	1,569	1,660

8. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Profit before income tax is arrived at after charging:		
Finance costs		
– Interest on lease liabilities (<i>note 13</i>)	68	114
	68	114
Auditor's remuneration	200	340
Staff costs, including directors' emoluments		
– Fees, salaries, allowances and bonuses	3,723	4,150
– Retirement benefit scheme contributions	129	134
	3,852	4,284

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

9. INCOME TAX EXPENSE

For the six months ended 30 June 2025 and 2024, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of corporation not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – Hong Kong profits tax		
– Provision for current period	1,652	581

10. DIVIDENDS

No dividend was proposed or paid during the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the six months ended 30 June 2025 and 2024.

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK\$5,332,000 (six months ended 30 June 2024: HK\$29,803,000) and the weighted average number of 881,970,541 (six months ended 30 June 2024: 881,970,541) ordinary shares in issue during the period.

For the six months ended 30 June 2025, there is no diluted potential ordinary shares and therefore the diluted earnings per share is the same as the basic earnings per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025 and 30 June 2024, the Group did not acquire or dispose of any property, plant and equipment.

13. LEASE

Right-of-use assets

As at 30 June 2025, the carrying amounts of right-of-use assets was approximately HK\$1,730,000 (as at 31 December 2024: approximately HK\$2,471,000) in respect of a leased office property which it operates.

During the six months ended 30 June 2025, the Group did not enter into nor renew any lease agreement and as of that date, none of the leases contain variable lease payments.

Lease liabilities

As at 30 June 2025, the carrying amount of lease liabilities was approximately HK\$1,827,000 (as at 31 December 2024: approximately HK\$2,631,000).

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Depreciation expense of right-of-use assets	741	741
Interest on lease liabilities (<i>Note 8</i>)	68	114
Expense relating to short-term lease	68	71

The Group has no expense relating to leases of low-value assets, excluding short-term leases of low-value assets.

The total cash outflows for lease in the six months ended 30 June 2025 was approximately HK\$941,000 (six months ended 30 June 2024: approximately HK\$944,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Accounts receivable	21,256	18,161
Less: provision for impairment loss recognised	(13,518)	(13,492)
	7,738	4,669
Prepayments	19,134	615
Other receivables and deposits	1,901	711
Rental deposit	510	510
	21,545	1,836
	29,283	6,505

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Analysis for reporting purposes:		
Current	28,773	5,995
Non-current	510	510
	29,283	6,505

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

The analysis of accounts receivable is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Arising from asset management services	5,317	5,305
Arising from underwriting and placing services	8,000	8,000
Arising from advisory services	4,656	4,656
Arising from corporate finance services	3,283	200
	21,256	18,161
Less: provision for impairment loss recognised	(13,518)	(13,492)
	7,738	4,669

- (a) The normal settlement terms of accounts receivable arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of accounts receivable arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amount due from margin clients are repayable on demand subsequent to the settlement date and bear interest at Hong Kong Dollar Prime Rate plus a spread of 8% (2024: Hong Kong Dollar Prime Rate plus a spread of 8%) per annum. The amounts due from HKSCC and HKCC are repayable on demand except for the required margin deposits for the trading of futures contracts.

Settlement of amounts arising from asset management service, underwriting and placing services, corporate finance services, advisory services and custodian services is in accordance with the terms set out in respective agreements, usually within one year after the service obligation has been fulfilled. And the settlement of amounts arising from financial service are normally due immediately from date of billing with a credit period of 60 days on average to its client.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

14. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

- (b) The following table provides information about the exposure to credit risk for gross amounts arising from asset management services, underwriting and placing services, corporate finance services and corporate advisory services:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Gross amount		
Not yet past due	5,742	4,662
0–30 days past due	1,002	3
31–60 days past due	1,002	3
61–90 days past due	3	3
91–180 days past due	9	9
181–270 days past due	9	9
271–365 days past due	9	5
Over 365 days past due	13,480	13,467
	21,256	18,161

15. HELD FOR TRADING INVESTMENTS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Listed equity securities	15,155	14,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

16. ACCOUNTS AND OTHER PAYABLES AND ACCRUALS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Accounts payables arising from the business of dealing in securities and futures contracts		
– Cash clients	10,400	20,029
– Margin clients	2,309	2,307
	12,709	22,336
Other payables	144	793
Accruals	940	1,698
	13,793	24,827

The normal settlement terms of accounts payables arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of accounts payables arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amounts payable to cash and margin clients are repayable on demand except for the required margin deposits for the trading of futures contracts. No ageing analysis in respect of accounts payables is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

17. SHARE CAPITAL

	Number of ordinary shares of HK\$0.1 each	Nominal value HK\$'000
Authorised:		
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	6,000,000,000	600,000
Issued and fully paid:		
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	881,970,541	88,197
Authorised:		
At 1 January 2024 (audited) and 30 June 2024 (unaudited)	6,000,000,000	600,000
Issued and fully paid:		
At 1 January 2024 (audited) and 30 June 2024 (unaudited)	881,970,541	88,197

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

18. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these interim condensed consolidated financial information, the Group had the following material transactions with related parties during the period:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Audited)
Yuanyin Finance Limited		
– Custodian fee income (<i>Note (a)</i>)	900	900
– Corporate finance service fee income (<i>Note (b)</i>)	6,000	6,480

Notes:

- (a) Custodian fee income of HK\$900,000 (2024: HK\$900,000) for the six months ended 30 June 2025 was in connection with the custodian service agreement with Yuanyin Finance Limited, which is a wholly-owned subsidiary of Yuanyin Holdings Limited, the ultimate holding company of the Company.
- (b) Corporate finance service income of HK\$6,000,000 (2024: HK\$6,480,000) for the six months ended 30 June 2025 was in connection with the financial advisory services agreement with Yuanyin Finance Limited, which is a wholly-owned subsidiary of Yuanyin Holdings Limited, the ultimate holding company of the Company.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

18. RELATED PARTY TRANSACTIONS *(Continued)*

In addition to the balances detailed elsewhere in these interim condensed consolidated financial information, the Group had the following balances outstanding with related parties who are not members of the Group as below:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Amount owed to the Group included in accounts receivable <i>(Note 14)</i>		
– Yuanyin Holdings Limited <i>(Note (i))</i>	3,000	–

Note:

- (i) The amount owed to the Group is unsecured, non-interest bearing and without any credit period.

Compensation of key management personnel

	Six months ended 30 June 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Salaries and allowances	840	840
Retirement benefit scheme contributions	18	18
	858	858

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. FAIR VALUE MEASUREMENT

Financial instruments measured at fair value

The following table presents the Group's financial instruments measured at fair value on a recurring basis in the condensed consolidated statement of financial position according to the fair value hierarchy. The hierarchy groups financial instruments into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial instruments. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 <i>HK\$'000</i> <i>note (a)</i>	Level 2 <i>HK\$'000</i>	Level 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 30 June 2025 (Unaudited)				
Financial assets at FVTPL				
– Listed equity securities	15,155	–	–	15,155
At 31 December 2024 (Audited)				
Financial assets at FVTPL				
– Listed equity securities	14,000	–	–	14,000



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19. FAIR VALUE MEASUREMENT *(Continued)*

Financial instruments measured at fair value *(Continued)*

The levels in the fair value hierarchy within which the financial instruments are categorised in its entirety are based on the lowest level of input that is significant to the fair value measurement. There were no transfers between levels 1 and 2 or transfers into or out of level 3 in the reporting periods. The Group's policy is to recognise transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

(a) Financial instruments in Level 1

The fair value of the listed equity securities is based on the quoted market prices at the reporting date. The quoted market price used for the listed equity securities held by the Group is the current bid price.

Financial instruments measured at amortised cost

The fair value of the financial assets and financial liabilities at amortised cost under current assets and current liabilities, respectively, is not materially different from their carrying amount as they are all short term in nature.

20. EVENTS AFTER THE REPORTING PERIOD

There are no material events in relation to the Group occurred after 30 June 2025 and up to the date of issue of the interim condensed consolidated financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The directors of the Company (the “Directors”) do not recommend the payment of interim dividend for the six months ended 30 June 2025 (the “Reporting Period”) (six months ended 30 June 2024: Nil).

BUSINESS AND FINANCIAL REVIEW

Financial Summary

For the six months ended 30 June 2025, the Group recorded fee and commission income of approximately HK\$12.1 million, representing a decrease of 14.8% as compared with approximately HK\$14.2 million for the six months ended 30 June 2024, and the decrease was mainly due to the Group’s decrease in provision of financial advisory services and general custodian services.

Profit for the six months ended 30 June 2025 was approximately HK\$5.3 million, as compared with profit of approximately HK\$29.8 million for the same period in 2024. The decrease in net profit was primarily attributable to the absence of non-recurring gains recognised in 2024 from the disposal of debt instruments at fair value through profit or loss. Both basic and diluted earning per share for the first half of 2025 were approximately HK\$0.6 cents as compared with HK\$3.38 cents of both basic and diluted losses per share for the same period in 2024.

Operation of Business Segments – Securities Brokerage and Financial Services

The Group provides securities brokerage and financial services via two of its subsidiaries, Sheng Yuan Securities Limited (“SYS”) and Sheng Yuan Capital (Hong Kong) Limited (“SYC”).

SYS is licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (“SFO”). Through SYS, the Group provides underwriting and placing services in equity and debt capital transactions, securities and futures brokerage services for securities, futures and options contracts, margin financing services, and custodian and handling services for client accounts on securities, futures, and options contracts. The fee and commission are based on certain percentage of the total transaction amounts.

As at 30 June 2025, SYS had a total of 5 employees, out of which 1 employee is licensed as responsible officer to conduct Type 1, Type 2, and Type 4 regulated activities, 1 employee is licensed as responsible officer to conduct Type 1 regulated activity and 1 employee is licensed as responsible officer to conduct Type 4 regulated activity. As at 30 June 2025, SYS maintained 202 client accounts, which is the same as the amount of client accounts as at 30 June 2024. There was approximately HK\$12.7 million in client trust bank accounts, representing an decrease of 43.0% from HK\$22.3 million as at 31 December 2024. Such decrease was mainly due to clients withdrawing part of the funds from their accounts.

MANAGEMENT DISCUSSION AND ANALYSIS

SYC is licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO. SYC provides corporate advisory services, for a fee, to corporate clients for their corporate actions to ensure clients' compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Codes on Takeovers and Mergers and Share Buy-backs. Such corporate actions include IPO, placing of shares and other securities, mergers and acquisitions, and business restructuring, etc.

As at 30 June 2025, SYC had 5 employees, out of which 3 employees are licensed as responsible officer to conduct Type 6 (advising on corporate finance) regulated activities under the SFO.

Operation of Business Segments – Asset Management

The Group provides asset management services through the Group's subsidiary, Sheng Yuan Asset Management Limited ("SYAM"). SYAM is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Via SYAM, the Group provides investment recommendations to clients on securities trading or portfolio management as an investment advisor, as well as investment management services for funds or discretionary accounts. The Group would charge a fixed rate management fee calculated based on value of the net assets within the funds or discretionary accounts, as well as a performance fee calculated based on increase in value of the net assets within the funds or discretionary accounts. The Group would also charge an investment advisory fee based on the scope and complexity of investment advisory services provided.

As at 30 June 2025, the asset management segment had 4 employees, out of which 3 of them are licensed as responsible officers.

As at 30 June 2025, SYAM acted as the fund manager or investment adviser for 1 discretionary account and 1 advisory client (as at 30 June 2024: 1 fund and 2 discretionary accounts). The total assets under management (the "AUM") of SYAM was HK\$0.15 million as at 30 June 2025 (as at 30 June 2024: HK\$658.9 million).

The decrease was mainly due to the termination of an overseas fund in July 2024.

Operation of Business Segments – Proprietary Trading

For proprietary trading business, Sheng Yuan Financial Services Group Limited ("SYFS") and Kingwell Management Limited ("KW") mainly invest in the listed shares, corporate bonds, and private funds in Hong Kong market. During the six months ended 30 June 2025, the Group reported profit of approximately HK\$2.1 million on proprietary trading (six months ended 30 June 2024: HK\$19.7 million).

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND FUTURE PLANS FOR SIX MONTHS ENDED 30 JUNE 2025

In the first half of 2025, Hong Kong's financial market conditions showed a modest recovery, though uncertainties continued to affect investor confidence. The Hang Seng Index rose by around 21% year-to-date, supported by an estimated US \$90 billion of Mainland capital inflows. While this reflected stronger cross-border participation, investors remained sensitive to monetary policy changes and external geopolitical developments.

Equity fundraising in the Hong Kong market also improved. A total of 44 new listings were completed, raising approximately HK\$107 billion, a notable increase compared with the same period in 2024. At the same time, interest in Hong Kong as a listing venue strengthened, with over 200 companies submitting applications in the first six months of the year 2025, the highest level ever recorded for a half-year period.

The Group maintains a cautiously optimistic outlook for the second half of 2025 and beyond. It will continue to pursue prudent strategies, closely monitor macroeconomic developments, and leverage Hong Kong's role in the Greater Bay Area. The Group will strengthen cross-border collaboration, explore new partnerships, and expand its service offerings in securities brokage, asset management, and corporate financing.

The management team are committed to enhance the group's fund management platform, broaden discretionary account services, and develop innovative financial consultancy and margin financing solutions. These initiatives are designed to diversify revenue, improve resilience, and deliver sustainable returns to shareholders. The Group remains confident in its ability to navigate uncertainties, capture opportunities, and build a stronger foundation for future success.

MANAGEMENT DISCUSSION AND ANALYSIS

ACQUISITIONS AND DISPOSALS

There was no material acquisition and disposal of subsidiaries, associates, and joint ventures during the six months ended 30 June 2025.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, cash and bank balances in general accounts maintained by the Group were approximately HK\$25.8 million, representing an decrease of approximately HK\$18.2 million from approximately HK\$44 million as at 31 December 2024. Balances in deposit with maturities over 3 months when acquired as at 30 June 2025 were approximately HK\$57.0 million (31 December 2024: HK\$57.0 million). Such cash and bank balances are mainly held in Hong Kong dollars, United States dollars ("USD") and Renminbi ("RMB"). Balances in trust and segregated accounts as at 30 June 2025 were approximately HK\$12.7 million (31 December 2024: HK\$22.3 million).

Accounts and other receivables, deposits and prepayments, and trust bank balances held on behalf of clients were approximately HK\$42 million as at 30 June 2025 (31 December 2024: HK\$28.8 million), such increase was due to increase in prepayments. Accounts and other payables and accruals were approximately HK\$13.8 million as at 30 June 2025 (31 December 2024: HK\$24.8 million), as a result of a decrease in client trust accounts value.

The Group's current assets and current liabilities as at 30 June 2025 were approximately HK\$139.4 million (31 December 2024: HK\$143.3 million) and approximately HK\$19.9 million (31 December 2024: HK\$29.2 million), respectively. The gearing ratio of the Group, measured by total liabilities to total assets, was not applicable as at 30 June 2025 because the Group has no debts such as borrowings (31 December 2024: not applicable). As at 30 June 2025, the Group recorded net assets of approximately HK\$121.9 million (31 December 2024: net assets of approximately HK\$116.6 million). During the six months ended 30 June 2025, the Group financed its operations with internally generated cash flow.

FOREIGN EXCHANGE EXPOSURE

The Group's transactions are mainly denominated in Hong Kong dollars, USD and RMB. The Group has not implemented any foreign currencies hedging policies. However, the Group's management will closely monitor exchange rate movement and will take appropriate actions to reduce the risks.

CAPITAL STRUCTURE

The Directors monitor the Group's capital structure by reviewing cash flow requirements, taking into account of its future financial obligations and commitments. The capital structure of the Group comprises of issued share capital and reserves attributable to Shareholders of the Company. The Directors review the Group's capital structure regularly. There were no changes in capital structure during the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FUNDING AND TREASURY POLICIES

The Group adopts a conservative approach for cash management and investment on uncommitted funds. We place cash and cash equivalents (which are mostly held in Hong Kong dollars, USD and RMB) in short term deposits with authorized institutions in Hong Kong.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

There have been no material events in relation to the Group occurring after the Reporting Period and up to the date of this report.

PLEDGE OF ASSETS

As at 30 June 2025, the Group did not have any pledged assets.

HUMAN RESOURCES

As at 30 June 2025, the Group employed 19 employees. The remuneration policy and package of the Group's employees are maintained at market level and are reviewed annually by management. In addition to basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

The Group regards our staff as the most important asset and resource and provides regular training courses and a variety of development programs and has developed relevant training policies and procedures to enhance the effectiveness of such training programs.

During the reporting period, the Group has organized both internal and external training courses for employees. Such training courses covered topics including but not limited to industrial updates, compliance matters, occupational health and safety, etc.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2025, none of the Directors or chief executive had any interests in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 (the "Model Code") of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2025, so far as the Directors are aware and as shown in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, other than interest disclosed above in respect of certain Directors and chief executive, the following shareholders had notified the Company of their relevant interests in the shares and underlying shares of the Company.

LONG POSITION – ORDINARY SHARES OF HK\$0.1 EACH OF THE COMPANY

Name of Shareholder	Capacity	Number of shares held	Percentage of the issued Share capital of the Company
Yuanyin Holdings Limited	Beneficial owner	601,100,000	68.15%
	Interest of corporation controlled <i>(Note (1))</i>	1,917,000	0.22%

Note:

- (1) Yuanyin Holdings Limited is deemed to be interested in 1,917,000 shares of the Company beneficially owned by Yuanyin International Limited, a wholly owned subsidiary of Yuanyin Holdings Limited.

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no other person (other than the Directors or chief executive of the Company) as having a notifiable interest or short position in the shares and underlying shares of the Company as at 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTIONS

The Company adopted a share option scheme on 24 September 2004 (the “2004 Scheme”). Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 15 October 2014, the Company adopted a new share option scheme (the “2014 Scheme”), the purpose of which is to enable the Group to grant share options to the eligible participants as incentives or rewards for their contribution to the Group. No further option shall be granted under the 2004 Scheme, but the options granted under the 2004 Scheme prior to its expiry shall remain valid and exercisable in accordance with the terms of the respective grants. During the six months ended 30 June 2025, no share option has been granted under 2014 Scheme. At 30 June 2025, there were no shares in respect of which options has been granted and remained outstanding under the 2014 Scheme. For further details of the 2014 Scheme (including the principal terms of the 2014 Scheme), please refer to the circular dated 26 September 2014 and the annual report of the Company for the year ended 31 December 2023.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares). As at 30 June 2025, the Company did not hold any treasury shares.

REVIEW OF INTERIM REPORT

The interim report, including the unaudited interim condensed consolidated financial information of the Group, for the six months ended 30 June 2025 have been reviewed by Beijing Xinghua Caplegend CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Company's interim report for the six months ended 30 June 2025 containing all the relevant information required by Appendix D2 of the Listing Rules will be published on the websites of the Company and the Stock Exchange and dispatched to Shareholders in due course.

AUDIT COMMITTEE

The audit committee of the Company currently comprises Ms. Huang Qin (Chairman), Mr. Zhang Jinfan, and Mr. Huang Shuanggang, all of whom are non-executive Directors (Ms. Huang and Mr. Zhang as independent non-executive Directors) with appropriate professional qualifications and experience in financial matters. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters. The interim results and the unaudited financial statements for the six months ended 30 June 2025 have been reviewed by the audit committee.

CORPORATE GOVERNANCE

The Company is committed to maintain high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code on corporate governance practices (the "Code") as set out in Appendix C1 of the Listing Rules during the six months ended 30 June 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as a code of conduct of the Company for Directors' securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the six months ended 30 June 2025.

BOARD OF DIRECTORS

As at the date of this report, the Board consists of Mr. Zhou Quan and Mr. Zhao Yun (both being executive Directors), Mr. Huang Shuanggang (being a non-executive Director), Mr. Zhang Jinfan, Ms. Huang Qin and Mr. Guo Yaoli (all being independent non-executive Directors).

By order of the Board

Sheng Yuan Holdings Limited

Zhou Quan

Executive Director

Hong Kong, 21 August 2025