XIN YUAN ENTERPRISES GROUP LIMITED
信源企業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1748)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025 AND CONTINUED SUSPENSION OF TRADING

INTERIM RESULTS

The Board is pleased to present the unaudited consolidated interim results of the Group for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024 as follows:

Financial Summary

	Six months ended 30 June	
	2025	2024
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Revenue	**28,296**	30,260
Cost of sales	**(19,769)**	(19,401)
Gross profit	**8,527**	10,859
Profit from operations	**6,386**	12,915
Finance costs	**(1,559)**	(2,222)
Profit for the period	**4,823**	10,688

	As of	
	30 June	31 December
	2025	2024
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Financial Positions		
Non-current assets	**161,803**	157,822
Current assets	**20,471**	23,973
Non-current liabilities	**29,413**	32,842
Current liabilities	**9,104**	10,035
Net assets	**143,757**	138,918

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 US$'000 (unaudited)	2024 US$'000 (unaudited)
Revenue	4	**28,296**	30,260
Cost of sales		**(19,769)**	(19,401)
Gross profit		**8,527**	10,859
Other income		**317**	4,223
Other gains and losses, net		**29**	(40)
Administrative expenses		**(2,487)**	(2,127)
Profit from operations		**6,386**	12,915
Finance costs		**(1,559)**	(2,222)
Profit before tax		**4,827**	10,693
Income tax expense	5	**(4)**	(5)
Profit for the period	6	**4,823**	10,688
Earnings per share	8		
Basic and dilute (cents per share)		**1.10**	2.43

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit for the period	**4,823**	10,688
Other comprehensive income/(loss):		
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**16**	(1)
Other comprehensive income/(loss) for the period, net of tax	**16**	(1)
Total comprehensive income for the period	**4,839**	10,687

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**30 June 2025** **US$'000** **(unaudited)**	31 December 2024 *US$'000* (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**161,525**	157,462
Right-of-use-assets		**278**	360
Total non-current assets		**161,803**	157,822
Current assets			
Inventories		**1,163**	1,080
Trade receivables	*10*	**998**	657
Other receivables, deposits and prepayments		**486**	805
Contract assets		**–**	373
Bank and cash balances		**17,824**	21,058
Total current assets		**20,471**	23,973
TOTAL ASSETS		**182,274**	181,795
EQUITY AND LIABILITIES			
Share capital		**4,400**	4,400
Reserves		**139,357**	134,518
Total equity		**143,757**	138,918

	Notes	**30 June 2025** **US$'000** **(unaudited)**	31 December 2024 *US$'000* (audited)
LIABILITIES			
Non-current liabilities			
Borrowings		**29,344**	32,583
Lease liabilities		**69**	259
Total non-current liabilities		**29,413**	32,842
Current liabilities			
Borrowings		**6,196**	6,142
Lease liabilities		**293**	197
Trade payables	*11*	**1,571**	1,401
Other payables and accruals		**1,044**	2,295
Total current liabilities		**9,104**	10,035
Total liabilities		**38,517**	42,877
TOTAL EQUITY AND LIABILITIES		**182,274**	181,795
Net current assets		**11,367**	13,938
Total assets less current liabilities		**173,170**	171,760

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

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

The condensed consolidated financial statements should be read in conjunction with the 2024 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2024.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by HKICPA, for the first time, which is mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of these amendments to a HKFRS Accounting Standard did not result in significant changes to the Group's accounting policies, presentation of the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

	Asphalt tanker chartering services *US$'000* **(unaudited)**	**Bulk carrier chartering services** *US$'000* **(unaudited)**	**Total** *US$'000* **(unaudited)**
Six months ended 30 June 2025:			
Revenue from external customers	**28,296**	**–**	**28,296**
Segment profit	**7,034**	**–**	**7,034**
As at 30 June 2025:			
Segment assets	**174,981**	**4,852**	**179,833**
Segment liabilities	**38,019**	**–**	**38,019**

	Asphalt tanker chartering services *US$'000* (unaudited)	Bulk carrier chartering services *US$'000* (unaudited)	Total *US$'000* (unaudited)
Six months ended 30 June 2024:			
Revenue from external customers	29,361	899	30,260
Segment profit	8,549	3,780	12,329
	(audited)	(audited)	(audited)
As at 31 December 2024:			
Segment assets	159,722	107	159,829
Segment liabilities	41,168	–	41,168

Reconciliations of segment profit or loss:

	Six months ended 30 June	
	2025	2024
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Total profit or loss of reportable segments	**7,034**	12,329
Unallocated interest revenue	**79**	140
Unallocated interest expense	**(21)**	(29)
Unallocated corporate income	**–**	3
Unallocated corporate expenses	**(2,265)**	(1,750)
Consolidated profit before tax for the period	**4,827**	10,693

4. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers and lease contracts.

In the following table, revenue is disaggregated by services and timing of revenue recognition.

	Six months ended 30 June	
	2025	2024
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
— Voyage charters and contract of affreightment ("**CoA**"), recognised over time *(Note)*	**6,838**	10,635
Revenue from other sources		
— Time charters	**21,458**	19,625
	28,296	30,260

Note:

The Group's performance obligation is to make the vessel available to the charterer and provide related vessel operating services over the agreed charter period. Revenue is recognised over time as the charterer simultaneously receives and consumes the benefits from the Group's provision of the vessel and related services.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current tax — Singapore Corporate Income Tax		
Underprovision in prior year	**4**	5

The Group mainly operates in Hong Kong, the People's Republic of China (the "**PRC**") and Singapore.

No provision for Hong Kong Profits Tax is required since the subsidiaries' income are derived from overseas sources which are not liable to Hong Kong Profits Tax or the subsidiaries have no assessable profit for the period (30 June 2024: Nil).

Singapore Corporate Income Tax has been provided at a rate of 17% (30 June 2024: 17%) except that the income of the subsidiaries in Singapore derived from vessel owning and chartering is exempted from Singapore Corporate Income Tax.

No provision for PRC Enterprise Income Tax was made since the subsidiaries in the PRC have no assessable profit for the period (30 June 2024: Nil).

6. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**4,976**	4,728
Depreciation of right-of-use assets	**84**	99
Directors' emoluments	**420**	418
Exchange difference, net	**(29)**	40
Expenses relating to short-term leases	**13**	13
Gain on disposal of property, plant and equipment	**–**	(3,644)
Staff costs (including Directors' emoluments)	**1,677**	1,195

7. DIVIDEND

The directors do not recommend the payment of an interim dividend (six months ended 30 June 2024: Nil).

8. EARNINGS PER SHARE

The calculation of basic and dilute earnings per share is based on the following:

	Six months ended 30 June	
	2025	2024
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to owners of the Company	**4,823**	10,688
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares	**440,000**	440,000

No diluted earnings per share was presented for the six months ended 30 June 2025 and 30 June 2024 as there was no potential ordinary share outstanding.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment of approximately US$9,037,000 (30 June 2024: Nil).

On 1 March 2024, the Group disposed of a vessel at a cash consideration of US$16,950,000. The Group realised a gain on the disposal of property, plant and equipment of approximately US$3,644,000 after deducting costs of disposal including commission fee and legal fee.

10. TRADE RECEIVABLES

For time charters, the Group generally receives monthly prepayment from customers. For voyage charters, the Group generally receives full payments within five business days after completion of cargo loading. For CoA, the Group generally receives full payment within three business days after completion of cargo discharging. For demurrage claims, the balances are normally paid within 30 days after the finalisation. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables, based on the date of invoice, is as follows:

	30 June 2025	31 December 2024
	US$'000	*US$'000*
	(unaudited)	(audited)
0 to 30 days	**998**	657

11. TRADE PAYABLES

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

	30 June 2025	31 December 2024
	US$'000	*US$'000*
	(unaudited)	(audited)
0 to 30 days	**1,571**	1,064
31 to 60 days	**–**	17
Over 60 days	**–**	320
	1,571	1,401

12. EVENT AFTER REPORTING PERIOD

Subsequent to the reporting period, on 30 July 2026, the Company became aware that Mr. Chen Maochun, a major shareholder, asserted in a written response provided to an independent forensic investigator that, due to alleged breach of contract by Mr. Xu Wenjun, a former executive director, he intends to terminate an agreement dated 15 June 2026 (which relates to the debt settlement of certain historical transactions) and seeks to resume pursuing the Group for a disputed amount of approximately RMB90.81 million.

In respect of this claim, the Group has engaged independent legal counsel to conduct a comprehensive legal review in conjunction with the findings of the independent forensic investigation. The independent legal counsel opined that the Company is not a party to the agreements entered into between the relevant individuals, nor has the Company assumed any repayment obligations under such agreements.

Based on the formal legal opinion obtained, external legal counsel is of the view that the Company has a robust legal defense, the legal risk of the Company bearing any repayment responsibility or suffering losses is very low, and the risk of any economic outflow of benefits by the Group arising from this matter is remote. The Directors, having evaluated the legal opinion and the findings of the independent forensic investigation, consider these assessments to be reasonable.

In accordance with Hong Kong Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets", the Directors, having evaluated the legal opinion and the findings of the independent forensic investigation, consider that no provision for potential losses is required to be recognized in the consolidated financial statements as at the end of the reporting period. The Group will continue to closely monitor the development of this matter and make further disclosures in a timely manner in accordance with the Listing Rules of The Stock Exchange of Hong Kong Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Our Group recorded revenue of approximately US$28.3 million for the Period Under Review, representing a decrease of 6.6% compared with the same corresponding period in 2024, from a single operating segment, asphalt tanker chartering services. Our Group principally provides asphalt tanker chartering services under various types of charter agreements comprising: (i) time charters; and (ii) voyage charters and contracts of affreightment ("**CoAs**").

As at 30 June 2025, we operated a fleet of ten vessels with total capacity of approximately 92,000 dwt, of which nine vessels were operated under asphalt tanker time charters, one vessel was operated under asphalt tanker voyage charters or CoAs. In August 2024, our Group has entered into a shipbuilding contract to construct two vessels for expanding our asphalt tanker fleet, which the construction is still in-progress with capital expenditure of approximately US$25.4 million up to end of June 2025 and the delivery is expected in the fourth quarter of 2026. Those vessels operated under time charters were chartered to customers with high performance capabilities on a long-term basis ranging from one to three years, which generated steady income for our Group.

We endeavour to provide high quality asphalt tanker chartering services. We have our own team of engineers and we are actively involved in the design of our vessels. Our team works closely with ship design experts, our customers, shipyards, international classification societies and banks or finance lease companies. Our major customers include global shipping and logistics groups, global independent energy traders and publicly listed energy companies based in the United States. Our Group has diversified our business and services and gradually developed our own customer portfolio.

With our Group's experienced management team and competitive advantages, our Directors believe that our Group is well-positioned to further develop our presence in the asphalt tanker chartering services market. Hence, our Group maintains a variety of services types with a balanced approach to meet different demands in the market.

Global demand for asphalt transportation remained resilient in the first half of 2025, supported by continued infrastructure investment across both developed and emerging markets. Governments in Southeast Asia, the Middle East and selected African economies have sustained spending on transportation networks, urban development, and strategic logistics corridors, while ongoing infrastructure maintenance and rehabilitation programs in China continue to support stable asphalt consumption. These factors are expected to underpin steady seaborne asphalt trade and provide a positive demand outlook for specialised asphalt tanker chartering.

The specialised asphalt tanker chartering continues to benefit from its niche market positioning and high barriers to entry. The transportation of asphalt requires specialised vessels capable of maintaining cargo at controlled temperatures throughout the voyage, requiring advanced technical expertise, stringent safety standards and significant capital investment. As a result, the industry remains relatively protected from new entrants, supporting utilisation levels and enhancing the long-term resilience of established operators.

At the same time, environmental regulations and decarbonisation initiatives are reshaping the competitive landscape. The International Maritime Organization's carbon reduction measures and increasingly stringent environmental requirements implemented by various jurisdictions are accelerating the transition towards more fuel-efficient and environmentally friendly vessels. The market participants with modern vessel fleet equipped with advanced energy-saving technologies, enhanced temperature-control systems and lower-emission designs are expected to enjoy greater operational efficiency and stronger competitive positioning. The continued retirement of older vessels may also help improve the overall supply-demand balance within the asphalt tanker chartering market.

Fleet modernisation remains a key industry theme during 2025. Majority of newbuilding orders consisted of advanced specialised asphalt tankers featuring double-hull and double-bottom designs, high-precision temperature control systems, and improved energy efficiency. To cope with this modernisation trend, we have entered into contracts for the construction of two chemical/asphalt tankers, each with a 9,550 dwt, at an aggregate consideration of approximately US$42 million. These new vessels are scheduled for delivery in the fourth quarter of 2026. This expansion is aimed at bolstering our Group's footprint in the asphalt tanker chartering market and enhancing our overall competitive edge in the industry.

Despite the generally favourable medium-term outlook, the industry continues to face several challenges and uncertainties. Geopolitical tensions in key shipping regions, including Persian Gulf, the Red Sea, and the Mediterranean, continue to pose operational risks through potential route disruptions, voyage delays and elevated insurance costs. In addition, ongoing volatility in fuel prices, crewing expenses and maintenance costs may place pressure on operating margins. Seasonal fluctuations in asphalt demand remain a characteristic feature of the market, with construction activities typically concentrated during warmer months. Consequently, effective fleet deployment, disciplined cost management and operational excellence remain critical factors for sustaining long-term profitability and competitiveness.

Looking ahead, our Group will seize the asphalt demand growth opportunities arising from both domestic and international infrastructure development and the recent changes in the industry, focusing on the core business of asphalt tanker chartering and fleet modernisation. At the same time, we will further enhance our safety, compliance, and risk management framework while expanding value-added services for comprehensive asphalt tanker chartering business.

FINANCIAL REVIEW

Revenue

For the Period Under Review, our revenue decreased to approximately US$28.3 million by approximately US$2.0 million or 6.6% from approximately US$30.3 million for the six months ended 30 June 2024. For the Period Under Review, such decrease was mainly due to the decrease in average daily charter rate and the discontinuance of revenue generated from bulk carrier time chartering services.

Revenue generated from asphalt tanker time charters services increased by approximately US$2.8 million or 15.0% from approximately US$18.7 million for the six months ended 30 June 2024 to approximately US$21.5 million for the six months ended 30 June 2025. Such increase was mainly attributable to several vessels having changed their operation from voyage charters to time charters during the Period Under Review.

Revenue generated from asphalt tanker voyage charters and CoAs decreased by approximately US$3.8 million or 35.8% from approximately US$10.6 million for the six months ended 30 June 2024 to approximately US$6.8 million for the six months ended 30 June 2025, mainly due to several vessels have changed its operation from voyage charters to time charters during the Period Under Review and the decrease in average daily charter rate.

During the Period Under Review, no revenue from bulk carrier time chartering services was recorded, while the last second-hand Capesize vessel generated revenue of approximately US$0.9 million for the six months ended 30 June 2024 up to the cessation of contribution from such Capesize vessel upon its disposal in March 2024.

Cost of sales

Our cost of sales slightly increased by approximately US$0.4 million or 2.1%, from approximately US$19.4 million for the six months ended 30 June 2024 to approximately US$19.8 million for the six months ended 30 June 2025. Such increase was mainly attributable to the combined net effect of the following factors:

(i) our bunker fees decreased by approximately US$0.7 million or 25.8%, mainly due to the decrease in market bunker price and in line with the slow down operations in asphalt tanker voyage charters during the Period Under Review;

(ii) our costs of spare parts and repair increased by approximately US$0.7 million or 62.7%;

(iii) our depreciation charge increased by approximately US$0.2 million for the Period Under Review mainly attributable to the capitalisation of dry-docking repair cost in last financial year.

Gross profit and gross profit margin

Our Group's gross profit decreased by approximately US$2.4 million or 22.0%, from approximately US$10.9 million for the six months ended 30 June 2024 to approximately US$8.5 million for the six months ended 30 June 2025. Such decrease was mainly due to our overall gross profit margin decreased from approximately 35.9% for the six months ended 30 June 2024 to approximately 30.1% for the six months ended 30 June 2025 attributable to the decrease in average daily charter rates; and no further gross profit was generated from bulk carrier time chartering services during the Period Under Review since the last Capesize vessel was disposed in 2024.

Other income

Our other income decreased by approximately US$3.9 million from approximately US$4.2 million for the six months ended 30 June 2024 to approximately US$0.3 million for the six months ended 30 June 2025. Such decrease was mainly attributable to a one-off gain on disposal of the last Capesize vessel of approximately US$3.6 million in March 2024.

Other gains and losses, net

Our Group recorded net other gains of approximately US$29,000 for the six months ended 30 June 2025, while recorded net other losses of approximately US$40,000 for the six months ended 30 June 2024, mainly attributable to the impact of net foreign exchange fluctuation.

Administrative expenses

Our Group' s administrative expenses increased by approximately US$0.4 million or 19.0% from approximately US$2.1 million for the six months ended 30 June 2024 to approximately US$2.5 million for the six months ended 30 June 2025, mainly attributable to the increase in legal and professional fees.

Finance costs

Our finance costs decreased from approximately US$2.2 million for the six months ended 30 June 2024 to approximately US$1.5 million for the Period Under Review, mainly attributable to gradually lower gearing ratio.

Income tax expense

Income tax expense maintained at approximately US$5,000 for the six months ended 30 June 2024 and approximately US$4,000 for the six months ended 30 June 2025.

For the six months ended 30 June 2025 and 2024, Singapore Corporate Income Tax has been provided at the rate of 17% except that the income derived from vessel owning and chartering is exempted from Singapore Corporate Income Tax.

No provision for PRC Enterprise Income Tax was made since our Group has no assessable profit for the six months ended 30 June 2025 and 2024.

No provision for Hong Kong Profits Tax was made since the income derived from overseas sources are not subject to tax or our Group has no assessable profit for the six months ended 30 June 2025 and 2024.

Profit for the period

Our profit for the Period Under Review decreased by approximately US$5.9 million or 55.1% from approximately US$10.7 million for the six months ended 30 June 2024 to approximately US$4.8 million for the six months ended 30 June 2025, while our net profit margin also decreased from approximately 35.3% to approximately 17.0% for the respective periods. Such decrease in our profit for the Period Under Review was primarily attributable to a non-recurring gain on disposal of approximately US$3.6 million for the last Capesize vessel in March 2024 and the decrease in gross profits, but offsetting by the decrease in finance costs.

FINANCIAL POSITION

As at 30 June 2025, our Group's total assets amounted to approximately US$182.2 million (31 December 2024: US$181.8 million) with net assets amounting to approximately US$143.8 million (31 December 2024: US$138.9 million). As at 30 June 2025, the gearing ratio (total debts divided by the total equity attributable to owners of our Company) of our Group was 0.25, representing a decrease of 10.7% as compared to that of 0.28 as at 31 December 2024. Net debt to equity ratio (net debt, being our total debts net of bank and cash balances, divided by total equity attributable to owners of our Company) of our Group was 0.13 as at 30 June 2025, there is no change as compared to that of 0.13 as at 31 December 2024. As at 30 June 2025, the current ratio of our Group was 2.25, representing a decrease of 5.9% as compared to that of 2.39 as at 31 December 2024.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2025, the liquidity position maintained by stable profit growth and gearing ratio. Our Group adopts a balanced approach to cash and financial management to ensure proper risk control and lower costs of funds, and seeks to maintain an optimal level of liquidity that can meet our working capital needs while supporting a healthy level of business and our various growth strategies. Our Group finances our operations and growth primarily through cash generated from operations, borrowings and finance lease arrangements.

As at 30 June 2025, our Group's borrowings and lease liabilities were approximately US$35.9 million in aggregate, decreased by approximately US$3.3 million as compared to approximately US$39.2 million as at 31 December 2024, which was primarily due to the gradual repayment of debts financing by the profits generated from operations.

As at 30 June 2025, our Group had bank and cash balances of approximately US$17.8 million in aggregate, representing a decrease of approximately US$3.3 million as compared to approximately US$21.1 million as at 31 December 2024. Such cash outflows were mainly the combined effects of the profits generated from operations, investing in construction of vessels and gradual repayment of borrowings and lease liabilities. Most of our bank and cash balances were denominated in USD.

TREASURY POLICIES

The primary objective of our Group's capital management is to maintain its ability to continue as a going concern so that our Group can constantly provide returns for the Shareholders and benefits for other stakeholders by securing access to financing at reasonable costs. Our Group actively and regularly reviews and manages its capital structure and makes adjustment by taking into consideration the changes in economic conditions, its future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities.

INDEBTEDNESS

As at 30 June 2025, our Group's indebtedness mainly comprised borrowings and lease liabilities of approximately US$35.5 million and US$0.4 million, respectively. Our borrowings were denominated in USD, while lease liabilities, which were related to the office properties lease, were mainly denominated in Renminbi. Majority of the borrowings are arranged at floating rates, thus exposing our Group to cash flow interest rate risk. Our Group might consider to use interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows. Our Group did not enter into any interest rate swap contracts during the Period Under Review, and had no outstanding interest rate swap contracts as at 30 June 2025.

The maturity of borrowings and lease liabilities as at 30 June 2025 is as follows:

	Borrowings	**Lease liabilities**
	US$'000	*US$'000*
Within one year	6,196	293
More than one year, but not exceeding two years	6,590	69
More than two years, but not exceeding five years	16,137	–
More than five years	6,617	–
	35,540	362

Borrowings were solely comprised of other loans, which were obtained for the provision of additional working capital of our Group. As at 30 June 2025, the other loans were secured by the following:

(a) mortgage over our Group's vessels;

(b) corporate guarantees provided by our Company;

(c) restricted bank balances; and

(d) shares of certain subsidiaries.

The lease liabilities of approximately US$0.4 million as at 30 June 2025 were related to the office properties leases and were not secured by any collateral.

FOREIGN CURRENCY RISKS

Our Group has a certain exposure to foreign currency risk as some of our business transactions, assets and liabilities are denominated in currencies other than the functional currency of the respective Group entities, only some transactions, assets and liabilities are denominated in other currencies such as SGD and Renminbi. Our Group has also adopted a foreign exchange rate risk control policy to manage the foreign exchange risk. Our Group monitors the foreign currency exposure closely and will consider hedging transactions to mitigate significant foreign currency exposure should the need arise. As at 30 June 2025, our Group had no outstanding foreign currency forward contracts.

PLEDGE OF ASSETS

As at 30 June 2025, the carrying amounts of bank balances restricted from being used and vessels pledged as securities for our Group's borrowings amounted to approximately US$6.0 million and US$80.1 million, respectively.

CAPITAL COMMITMENT

As at 30 June 2025, our Group had capital commitments contracted for but not yet incurred amounting to US$16.9 million in respect of construction of vessels.

CONTINGENT LIABILITIES

Except for the matter disclosed in the section headed "Events After the Reporting Period" in this announcement, as at 30 June 2025, our Group did not have any significant contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

We value our employees and recognise the importance of a good relationship with our employees. We recruit our employees based on their work experiences, educational background and qualifications. To maintain and ensure the quality of our employees, we provide our personnel with formal and on-the-job training to enhance their technical skills as well as knowledge of industry quality standards and workplace safety standards. As at 30 June 2025, our Group had a total of 42 employees, of which 35 were located in the PRC, 2 were located in Hong Kong and 5 were located in Singapore. The remuneration to our employees includes salaries and allowances. Employees are remunerated according to their qualifications, experiences, job nature, performance and with reference to market conditions.

Our Group's total employee benefit expenses (including Directors' emoluments) for the six months ended 30 June 2025 and 2024 were approximately US$1.3 million and US$1.2 million, respectively.

SIGNIFICANT INVESTMENT HELD

Our Group had not held any significant investments during the six months ended 30 June 2025.

MATERIAL TRANSACTIONS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Period Under Review, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by our Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Saved as disclosed below, there was no definite future plan for material investments or acquisition of material capital assets as at 30 June 2025.

In August 2024, our Group has entered into a shipbuilding contract to construct two vessels for expanding our asphalt tanker fleet, which are expected to deliver in the fourth quarter of 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 6 January 2025, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue and allot, and the Subscriber conditionally agreed to subscribe for, 88,000,000 Subscription Shares for the aggregate Subscription Price of HK$105,600,000, which shall be paid by the Subscriber to the Company by cash at completion.

On 8 January 2025, the Company and the Subscriber entered into a supplemental agreement to the Subscription Agreement (the "**Supplemental Agreement**") to the effect that (a) the Subscription Price is adjusted from HK$1.20 to HK$1.215 (the "**Adjusted Subscription Price**"); and (b) the inclusion of certain warranties by the Company.

The Adjusted Subscription Price of HK$1.215 represents:

(i) a discount of approximately 12.59% to the closing price of HK$1.39 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and

(ii) a discount of 19% to the average of the closing prices per Share of HK$1.50 as quoted on the Stock Exchange for the last five consecutive business days immediately preceding the date of the Subscription Agreement.

The Adjusted Subscription Price was determined with reference to the prevailing market price of the Shares between the Company and the Subscriber.

The gross and net proceeds from the Subscription will be approximately HK$106.9 million and HK$106.3 million, respectively. After taking into account all related costs, fees, expenses and commission of the Subscription, the net issue price of each Subscription Share is approximately HK$1.21.

The Directors consider that the Subscription represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Subscription can strengthen the financial position and liquidity of the Group, provide additional working capital to the Group to meet its future development and its existing operations and serve as a means to finance the payment of the remaining consideration for the acquisition of two vessels for an aggregate consideration of US$42,000,000.

On 24 February 2025, the Company and the Subscriber mutually agreed to terminate the Subscription with effect immediately (the "**Termination**") pursuant to a termination agreement dated 24 February 2025. As a result of the Termination, all rights and obligations of the parties under the Subscription Agreement and the Supplemental Agreement shall cease and be determined and no party shall have any claim against the other regarding the Subscription Agreement and the Supplemental Agreement.

Please refer to the Company's announcements dated 6 January 2025, 8 January 2025, 27 January 2025, 20 February 2025 and 24 February 2025 for further information.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares) during the six months ended 30 June 2025.

As at 30 June 2025, the Company did not hold any treasury Shares.

PURPORTED REQUISITION FOR CONVENING AN EXTRAORDINARY GENERAL MEETING

On 3 January 2025, the Company published an announcement in response to the purported shareholder requisition (the "**First Purported Requisition**") issued by two individuals and one corporate entity, namely Mr. Huang Lingsheng (黄玲生), Mr. Chen Guiren (陳貴仁) and WELL GRACE TRADING CO., LIMITED (華欣貿易有限公司), who, allegedly, are the shareholders of the Company (the "**Purported Requisitionist**") on 13 December 2024. The Company had sought advice from its legal advisers to the Company as to Cayman Islands laws, about the validity of the requisition notice. The Cayman legal advisers of the Company, by means of a legal opinion dated 29 December 2024, advised the Company that as the Shareholders' list of the Company as at 13 December 2024 showed that the Purported Requisitionist only held a total of 17,930,343 Shares (representing approximately 4.08% of the issued share capital of the Company), the relevant requisition notice was not made in compliance with Article 64 of the articles of association of the Company. Accordingly, the Company is not required to convene the extraordinary general meeting in response to the Purported Requisition. For further details of the First Purported Requisition, please refer to the announcements of the Company dated 13 December 2024 and 3 January 2025.

Reference is made to the Company's announcement dated 8 January 2025. On 2 January 2025, the Company received a written notice (the "**Second Requisition Notice**") jointly issued by three corporate entities, namely UNIVERSAL INTERNATIONAL TECHNOLOGY (HONG KONG) LIMITED, WELL GRACE TRADING CO., LIMITED (華欣貿易有限公司) and HJ TECHNOLOGY CO., LIMITED, who allegedly, are the shareholders of the Company (the "**Purported Requisitionists**") and in aggregate hold 169,930,343 Shares (representing approximately 38.62% of the voting rights attached to the total issued shares of the Company as at the date of the Second Requisition Notice). Pursuant to the Second Requisition Notice, the Purported Requisitionists requested the Board to call for an extraordinary general meeting for the purpose of considering and, if thought fit, passing the ordinary resolutions to remove Mr. Chen Jiagan (陳家幹), Mr. Xu Wenjun (徐文均) and Mr. Chen Yanbiao (陳延標) as executive Directors, re-elect Mr. Wei Shusong (魏書松) and Mr. Xu Jie (徐捷) as independent non-executive Directors as well as appoint (a) Mr. Fan Ruihua (范瑞華), Mr. Huang Dehai (黃德海) and Ms. Chen Yanyan as executive Directors; (b) Mr. Yang Lei (楊雷) as non-executive Director; and (c) Mr. Yang Yunmin (楊雲敏) and Mr. Xie Xianyun (謝賢雲) as independent non-executive Directors as Directors.

On 5 January 2025, the Board received a further letter from the Purported Requisitionists and three other alleged shareholders of the Company, GOLDEN BOOMER LIMITED, Mr. Huang Lingsheng (黃玲生) and Mr. Chen Guiren (陳貴仁) (the "**Further Requisition Notice**", which together with the Second Requisition Notice, the "**Requisition Notices**"). The following additional resolutions are proposed to be considered and, if thought fit, passed as ordinary resolutions of the Company at the extraordinary general meeting.

1. to revoke the general mandate (the "**General Mandate**") granted to the Directors at the annual general meeting held on 18 June 2024 (the "**2024 AGM**"), to allot, issue and deal in Shares not exceeding 20% of the total number of Shares in issue, further details as stated in resolution no. 4 of the circular to the Shareholders dated 23 April 2024 (the "**2024 AGM Circular**"), with effect from the conclusion of the extraordinary general meeting; and

2. to revoke the extension of the General Mandate (by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted in the 2024 AGM), further details as stated in resolution no. 6 of the 2024 AGM Circular, with effect from the conclusion of the extraordinary general meeting.

On 1 March 2025, the Company convened an extraordinary general meeting (the "**EGM**") in connection with the proposed resolutions set out in the Requisition Notices.

As more than 50% of the votes were cast in favour of each of the proposed resolutions in relation to the re-election of Mr. Wei Shusong (魏書松) and Mr. Xu Jie (徐捷) as an independent non-executive Director, the appointment of Mr. Huang Dehai (黃德海) as an executive Director and the revocation of the General Mandate and the extension of the General Mandate with effect from the conclusion of the EGM, these resolutions were duly passed as ordinary resolutions of the Company. Save for the aforementioned, the other proposed resolutions set out in the Requisition Notices were not passed as ordinary resolutions of the Company. Please refer to the Company's announcement dated 1 March 2025 for further details.

SUSPENSION OF TRADING IN THE SHARES ON THE STOCK EXCHANGE

As disclosed in the Company's announcement dated 21 February 2025, the Board received complaints from two shareholders containing certain allegations against the Company. At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 February 2025. The Stock Exchange has issued the resumption guidance and the additional resumption guidance to the Company on 26 May 2025 and 17 May 2026, respectively. Please refer to the Company's announcements dated 29 May 2025, 29 August 2025, 28 November 2025, 23 February 2026, 18 March 2026 and 20 May 2026 for details of the Resumption Guidance and the latest resumption progress.

CHANGE OF AUDITOR

RSM Hong Kong resigned as the auditor of the Company with effect from 31 March 2026 as RSM Hong Kong is unable to agree on the timetable for the audit of the Company's financial statements for the years ended 31 December 2024 and 2025.

The Board, having considered the recommendation of the Audit Committee, has resolved to propose to appoint Prism Hong Kong as the new auditor of the Company to fill the casual vacancy in the office of the auditor following the resignation of RSM Hong Kong as the auditor of the Company with effect from 31 March 2026. At the Company's extraordinary general meeting held on 8 May 2026, the Shareholders resolved and approved Prism Hong Kong as the auditor of the Company.

Please refer to the Company's announcements dated 31 March 2026, 16 April 2026, 8 May 2026 and the Company's circular dated 22 April 2026 for further details regarding the change of the auditor.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, on 30 July 2026, the Company became aware that Mr. Chen Maochun, a major shareholder, asserted in a written response provided to an independent forensic investigator that, due to alleged breach of contract by Mr. Xu Wenjun, a former executive Director, he intends to terminate an agreement dated 15 June 2026 (which relates to the debt settlement of certain historical transactions) and seeks to resume pursuing the Group for a disputed amount of approximately RMB90.81 million.

In respect of this claim, the Group has engaged independent legal counsel to conduct a comprehensive legal review in conjunction with the findings of the independent forensic investigation. The independent legal counsel opined that the Company is not a party to the agreements entered into between the relevant individuals, nor has the Company assumed any repayment obligations under such agreements.

Based on the formal legal opinion obtained, external legal counsel is of the view that the Company has a robust legal defense, the legal risk of the Company bearing any repayment responsibility or suffering losses is very low, and the risk of any economic outflow of benefits by the Group arising from this matter is remote. The Directors, having evaluated the legal opinion and the findings of the independent forensic investigation, consider these assessments to be reasonable.

In accordance with Hong Kong Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets", the Directors, having evaluated the legal opinion and the findings of the independent forensic investigation, consider that no provision for potential losses is required to be recognized in the consolidated financial statements as at the end of the reporting period. The Group will continue to closely monitor the development of this matter and make further disclosures in a timely manner in accordance with the Listing Rules.

Save as disclosed in this announcement, there are no important events affecting the Group which have occurred since the end of the Period Under Review and up to the date of this announcement.

INTERIM DIVIDEND

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. Except as disclosed below, the Board is of the view that the Company has fully complied with all the applicable code provisions of the CG Code during the six months ended 30 June 2025.

Independent Non-executive Directors

On 31 December 2024, Mr. Suen Chi Wai resigned as an independent non-executive Director. Upon the resignation of Mr. Suen Chi Wai, he also ceased to be the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. As a result, the Company temporarily failed to comply with the requirements as set out in Rules 3.10(1), 3.10(2), 3.21, 3.25 and 3.27A of the Listing Rules.

On 6 January 2025, Mr. Chong Hon Wang has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Following the appointment of Mr. Chong, the Company is in compliance with the requirements under Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

Subsequently, on 17 January 2025, Mr. Chong Hon Wang resigned as an independent non-executive Director. Upon the resignation of Mr. Chong Hon Wang, he also ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. As a result, the Company temporarily failed to comply with the requirements as set out in Rules 3.10(1), 3.10(2), 3.21, 3.25 and 3.27A of the Listing Rules.

On 20 February 2025, Dr. Chen Siru has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Following the appointment of Dr. Chen, the Company is in compliance with the requirements under Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

At the extraordinary general meeting of the Company held on 1 March 2025, Mr. Huang Dehai became an executive Director with effect from the conclusion of the EGM. Pursuant to Rule 3.10A of the Listing Rules, independent non-executive Directors must represent at least one-third of the Board. Following the appointment of Mr. Huang Dehai, the Board comprises 10 Directors in total, with only Mr. Wei Shusong, Mr. Xu Jie and Dr. Chen Siru being the independent non-executive Directors, therefore the Company has failed to comply with the requirement as set out in Rule 3.10A of the Listing Rules.

Subsequently, on 3 April 2025, Mr. Huang Dehai resigned as an executive Director. Following the resignation of Mr. Huang Dehai as an executive Director, the Company has complied with the requirement under Rule 3.10A of the Listing Rules that independent non-executive Directors must represent at least one-third of the Board.

On 12 March 2026, Mr. Liu Dunyu has been appointed as an executive Director. Rule 3.10A of the Listing Rules provides that a listed issuer must appoint independent non-executive directors representing at least one-third of the board. Following the appointment of Mr. Liu as an executive Director, the Board comprises ten Directors, of which seven are executive Directors and three are independent non-executive Directors. The Company therefore fails to comply with the requirements set out in Rule 3.10A of the Listing Rules.

On 1 April 2026, Mr. Yeung Chi Tat and Ms. Liu Xueying have been appointed as independent non-executive Directors. Following the appointment of Mr. Yeung and Ms. Liu as independent non-executive Directors, the Board comprises twelve Directors, of which seven are executive Directors and five are independent non-executive Directors. The Company therefore re-complies with the requirements set out in Rule 3.10A of the Listing Rules which requires the number of independent non-executive directors shall represent at least one-third of the Board.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

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

REVIEW OF THE INTERIM RESULTS

The Audit Committee, comprising all the independent non-executive Directors, has reviewed the Company's unaudited consolidated interim results for the six months ended 30 June 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.xysgroup.com). The interim report will be available on the website of the Stock Exchange and that of the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contributions to the Group.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 February 2025 and will remain suspended until the Company fulfils the Resumption Guidance.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITION

"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"Company"	Xin Yuan Enterprises Group Limited (信源企業集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1748)
"Director(s)"	director(s) of the Company
"dwt"	deadweight tonnages
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Nomination Committee"	the nomination committee of the Board
"Period Under Review"	the financial period for the six months ended 30 June 2025
"PRC" or "China"	the People's Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Administrative Region of the People's Republic of China and Taiwan
"Prism Hong Kong"	Prism Hong Kong Limited, a registered public interest entity auditor under the Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)
"Remuneration Committee"	the remuneration committee of the Board
"Resumption Guidance"	the resumption guidance and additional resumption guidance issued by the Stock Exchange for the resumption of trading in the Shares as set out in the Company's announcements dated 29 May 2025 and 18 March 2026

"Share(s)"	ordinary share(s) of US$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	TGG Ventures Limited, a company incorporated in Hong Kong with limited liability whose issued share capital is owned by independent third party(ies)
"Subscription"	the subscription for the Subscription Shares by the Subscriber (or its affiliate(s)) pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 6 January 2025 and entered into between the Company and the Subscriber, pursuant to which the Company agreed to issue and allot, and the Subscriber agreed to subscribe for, 88,000,000 Subscription Shares for the aggregate Subscription Price of the HK$105,600,000
"Subscription Price"	HK$105,600,000 in aggregate or HK$1.2 per Subscription Share
"Subscription Shares"	88,000,000 new Shares to be issued by the Company to the Subscriber (or its affiliate(s)) pursuant to the Subscription
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"%"	per cent

By order of the Board
XIN YUAN ENTERPRISES GROUP LIMITED
Chen Jiagan
Chairman

Hong Kong, 13 August 2026

As at the date of this announcement, Mr. Chen Jiagan, Mr. Chen Ming, Mr. Chen Yanbiao, Ms. Liu Weipeng, Mr. Liu Dunyu and Mr. Tang Xuming are the executive Directors, and Mr. Xu Jie, Mr. Wei Shusong, Dr. Chen Siru, Mr. Yeung Chi Tat and Ms. Liu Xueying are the independent non-executive Directors.