GRAPHEX

GRAPHEX GROUP LIMITED
烯石電動汽車新材料控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6128)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "Board") of directors (the "Directors") of Graphex Group Limited (the "Company") is pleased to announce the unaudited interim consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026, together with the comparative unaudited figures for the corresponding period in 2025 which have been reviewed by the audit committee of the Company. This announcement complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") in relation to information to accompany preliminary announcement of interim results.

FINANCIAL HIGHLIGHTS

Results	For the six months ended 30 June		
	2026	2025	**Change**
	HK$'000	*HK$'000*	
Revenue	**75,781**	76,835	(1.4)%
Graphene products	**48,438**	48,389	0%
Landscape architecture	**23,980**	28,446	(15.7)%
Electric vehicles	**3,363**	–	+3,363
Adjusted segment EBITDA*	**(4,549)**	9,525	(147.8)%
Graphene products	**(73)**	10,563	(100.7)%
Landscape architecture	**(4,460)**	(1,038)	329.7%
Electric vehicles	**(16)**	–	-16
Loss before tax	**(38,734)**	(28,016)	38.3%
Loss attributable to owners of the parent	**(35,883)**	(24,631)	45.7%
	HK cents	*HK cents*	
Basic loss per share attributable to ordinary equity holders of the parent	**(3.81)**	(6.23)	(38.8)%

* Non-IFRS Measure

Results	**At 30 June 2026**	At 31 December 2025	**Change**
	HK$'000	*HK$'000*	
Total assets	**557,784**	541,935	2.9%
Net assets	**24,766**	41,298	(40.0)%
Shareholder's equity	**15,091**	31,505	(52.1)%
Cash and bank balances	**19,991**	27,280	(26.7)%
Debt	**211,646**	223,644	(5.4)%

To supplement our unaudited condensed consolidated financial statements which are presented in accordance with International Financial Reporting Standards ("IFRSs"), adjusted segment EBITDA is used as an additional financial measure throughout this interim results announcement. The financial measure is presented because it is used by management to evaluate operating performance. The Company believes that non-IFRS measure may provide useful information to help investors and others understand and evaluate the Company's consolidated results of operations in the same manner as management and in comparing financial results across accounting periods and to those of our peer companies. However, non-IFRS financial measure does not have a standardised meaning prescribed by IFRSs and therefore may not be comparable to similar measures presented by other companies.

Adjusted segment EBITDA used herein is defined as earnings before interest expense, taxation, depreciation and amortisation, and excludes fair value change on financial assets at fair value through profit or loss, written off of goodwill, impairment losses of other intangible assets and property, plant and equipment, share of losses of associates and joint ventures, impairment/(reversal of impairment) on financial and contract assets, loss on promissory note derecognised, unallocated other income and gains and corporate expenses.

Please refer to note 4 to the unaudited condensed consolidated financial statements in this interim results announcement for reconciliation of loss before tax, an IFRS measure, to adjusted segment EBITDA.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June **2026** (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
REVENUE	3	**75,781**	76,835
Cost of sales	7	**(63,214)**	(49,046)
GROSS PROFIT		**12,567**	27,789
Other income and gains	5	**3,295**	3,017
Loss on promissory note derecognised		**(11)**	(1,817)
Selling and marketing expenses		**(735)**	(722)
Administrative expenses		**(37,031)**	(49,975)
Research and development cost		**(1,187)**	(2,554)
Impairment losses on financial and contract assets, net		**(8,612)**	4,496
Fair value loss on financial assets at fair value through profit or loss		**(17)**	(1)
Finance costs	6	**(7,003)**	(8,249)
LOSS BEFORE TAX	7	**(38,734)**	(28,016)
Income tax credit	8	**2,804**	3,424
LOSS FOR THE PERIOD		**(35,930)**	(24,592)
Attributable to:			
Owners of the parent		**(35,883)**	(24,631)
Non-controlling interests		**(47)**	39
		(35,930)	(24,592)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For loss for the period	10	**HK(3.81) cents**	HK(6.23) cents
Diluted			
– For loss for the period		**HK(3.81) cents**	HK(6.23) cents

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(35,930)**	(24,592)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**18,948**	7,503
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**18,948**	7,503
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(16,982)**	(17,089)
Attributable to:		
Owners of the parent	**(16,629)**	(17,128)
Non-controlling interests	**(353)**	39
	(16,982)	(17,089)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 (Unaudited) *HK$'000***	31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**20,608**	22,263
Goodwill		**1,995**	–
Other intangible assets		**194,150**	198,338
Investments in joint venture		**–**	–
Investments in associates		**–**	–
Equity investments designated at fair value through other comprehensive income		**56**	54
Prepayments, deposits and other receivables		**47,478**	46,860
Deferred tax assets		**18,761**	18,048
Total non-current assets		**283,048**	285,563
CURRENT ASSETS			
Inventories		**1,875**	4,610
Trade and bills receivables	11	**86,426**	42,145
Prepayments, deposits and other receivables		**159,203**	174,599
Financial assets at fair value through profit or loss		**17**	33
Contract assets		**6,843**	7,349
Restricted bank deposit		**554**	533
Cash and cash equivalents		**19,436**	26,747
		274,354	256,016
Non-current assets held for sale		**382**	356
Total current assets		**274,736**	256,372

	Notes	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
CURRENT LIABILITIES			
Trade payables	12	**46,914**	26,952
Other payables and accruals		**154,163**	128,190
Contract liabilities		**33,728**	35,850
Lease liabilities		**2,884**	4,332
Interest-bearing borrowings		**142,250**	174,377
Promissory notes		**–**	29,045
Convertible notes		**3,023**	3,798
Tax payable		**38,069**	36,483
Total current liabilities		**421,031**	439,027
NET CURRENT LIABILITIES		**(146,295)**	(182,655)
TOTAL ASSETS LESS CURRENT LIABILITIES		**136,753**	102,908
NON-CURRENT LIABILITIES			
Lease liabilities		**11,712**	12,092
Interest-bearing borrowings		**23,815**	–
Promissory note		**27,963**	–
Deferred tax liabilities		**48,497**	49,518
Total non-current liabilities		**111,987**	61,610
NET ASSETS		**24,766**	41,298
EQUITY			
Equity attributable to owners of the parent			
Share capital			
– ordinary shares	13	**47,066**	47,066
– preference shares	13	**3,236**	3,236
Other reserves		**(35,211)**	(18,797)
		15,091	31,505
Non-controlling interests		**9,675**	9,793
TOTAL EQUITY		**24,766**	41,298

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

1. CORPORATE AND GROUP INFORMATION

Graphex Group Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 25 November 2013. The registered office address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are development and processing of graphene products, in particular, graphite anode material for lithium-ion batteries used in electric vehicles, energy storage systems and other applications. The Group is also engaged in the provision of landscape architecture and design services, as well as the manufacturing of electric vehicles.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2025. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

All intra-group transactions and balances have been eliminated on consolidation.

Going concern basis

The Group recorded a loss attributable to owners of the parent of HK$35,883,000 for the six months ended 30 June 2026 and net current liabilities of HK$146,295,000 as at 30 June 2026.

In view of the above circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern in the foreseeable future.

The directors of the Company have reviewed the Group's cash flow projection prepared by management, which includes revenue and expenditure growth of the business, working capital needs and, the continuing renewal of the banking facilities. They are of the opinion that, after taking into account the measures to be implemented and has been implemented, the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of these interim condensed consolidated financial statements. Accordingly, the directors of the Company believe it is appropriate to prepare the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026 on a going concern basis.

In view of these circumstances, the directors have taken various measures with an aim to improve the Group's liquidity position. The directors have prepared a cash flow forecast of the Group for the next twelve months from the end of the reporting period taken into account the followings:

(i) The Group has obtained a short-term loan facility of HK$80,000,000 for financing its working capital;

(ii) The Group has taken various cost control measures to tighten the costs of operations;

(iii) The Group is in serious discussions with potential investors for raising new capital by way of issuing new equity and/or debt securities; and

(iv) As set out in the Company's circular dated 29 January 2026, a wholly-owned subsidiary and an independent third party buyer (listed in US OTCQB) entered into agreements for proposed disposal of a wholly-owned subsidiary incorporated in the US (to which certain patents have been licenced by the Group and which also owns certain other patents), and provision of design and support services at considerations comprising cash of US$3 million (approximately HK$23.4 million), which will be settled upon transfer of all issued capital of the US wholly-owned subsidiary, and 29 million shares of the buyer which are estimated to have a market value of approximately HK$6 million based on the closing of the buyer's share prices on 27 March 2026. The transaction was approved by the shareholders of the Company at the extraordinary general meeting held on 20 March 2026. The transaction has not yet been completed pending completion of approval procedures of the independent buyer.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for further liabilities that might arise, and to reclassify noncurrent assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The IASB has issued an amended IFRSs that is first effective for the current accounting period of the Group:

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

Other than as noted below, the adoption of the new or amended IFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. The Group has not early applied any new or amended IFRSs that is not yet effective for the current accounting period.

3. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Type of goods or services		
Sales of graphene products	**48,438**	48,389
Landscape architecture services	**23,980**	28,446
Sales of electric vehicles	**3,363**	–
Total Revenue	**75,781**	76,835
Geographical markets		
Mainland China	**64,651**	61,930
Hong Kong	**8,014**	14,241
Others	**3,116**	664
Total Revenue	**75,781**	76,835
Timing of revenue recognition		
Goods transferred at a point in time	**51,801**	48,389
Services transferred over time	**23,980**	28,446
Total Revenue	**75,781**	76,835

4. OPERATING SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker (CODM), for the purposes of resources allocation and assessment of segment performance focuses on types of goods and services delivered and provided.

For management purposes, the Group has identified the following three major reportable segments.

(a) Processing and sale of graphite and graphene related products ("Graphene Products Segment");

(b) Providing landscape architecture design ("Landscape Architecture Design Segment"); and

(c) Manufacturing and sale of electric vehicles ("Electric Vehicles Segment").

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

Segment assets exclude deferred tax assets, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment revenue is eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the service prices used for sales made to third parties at the then prevailing market prices.

The following tables present revenue and profit/loss information for the Group's operating segments for the six months ended 30 June 2026 and 2025.

Six months ended 30 June 2026 (Unaudited)

	Graphene products *HK$'000*	**Landscape architecture design** *HK$'000*	**Electric vehicles** *HK$'000*	**Total** *HK$'000*
Segment revenue *(note 3)*				
Sales to external customers	**48,438**	**23,980**	**3,363**	**75,781**
Elimination of inter-segment sales	**–**	**–**	**–**	**–**
Segment results	**(19,087)**	**(9,634)**	**(16)**	**(28,737)**
Reconciliations:				
Unallocated income and gains				**729**
Unallocated expenses				**(4,577)**
Unallocated finance costs				**(5,920)**
Unallocated depreciation and amortisation				**(229)**
Share of losses of associates				**–**
Loss before tax				**(38,734)**
Adjusted segment EBITDA *(note (i))*	**(73)**	**(4,460)**	**(16)**	**(4,549)**

Six months ended 30 June 2025 (Unaudited)

	Graphene products *HK$'000*	Landscape architecture design *HK$'000*	Total *HK$'000*
Segment revenue *(note 3)*			
Sales to external customers	48,389	28,446	76,835
Elimination of inter-segment sales	–	–	–
Segment results	(13,886)	2,763	(11,123)
Reconciliations:			
Unallocated income and gains			1,162
Unallocated expenses			(10,487)
Unallocated finance costs			(7,223)
Unallocated depreciation and amortisation			(345)
Share of losses of associates			–
Loss before tax			(28,016)
Adjusted segment EBITDA *(note (i))*	10,563	(1,038)	9,525

The following tables present assets and liabilities information for the Group's operating segments as at 30 June 2026 and 31 December 2025.

30 June 2026 (Unaudited)

	Graphene products *HK$'000*	**Landscape architecture design** *HK$'000*	**Electric vehicles** *HK$'000*	**Total** *HK$'000*
Segment assets	**450,154**	**78,357**	**7,669**	**536,180**
Reconciliations:				
Elimination of intersegment receivables				**(24,715)**
Unallocated assets				**46,319**
Total assets				**557,784**
Segment liabilities	**115,760**	**106,804**	**7,963**	**230,527**
Reconciliations:				
Elimination of intersegment payables				**(24,715)**
Unallocated liabilities				**327,206**
Total liabilities				**533,018**

31 December 2025 (Audited)

	Graphene products *HK$'000*	Landscape architecture design *HK$'000*	Total *HK$'000*
Segment assets	422,191	88,158	510,349
Reconciliations:			
Elimination of intersegment receivables			(23,618)
Unallocated assets			55,204
Total assets			541,935
Segment liabilities	89,826	115,311	205,137
Reconciliations:			
Elimination of intersegment payables			(23,618)
Unallocated liabilities			319,118
Total liabilities			500,637

The following tables present other segment information for the Group's operating segments for the six months ended 30 June 2026 and 2025.

Six months ended 30 June 2026 (Unaudited)

	Graphene products *HK$'000*	**Landscape architecture design** *HK$'000*	**Electric vehicles** *HK$'000*	**Total** *HK$'000*
Other segment information				
Share of losses of associates unallocated				**–**
Impairment losses recognised in the statement of profit or loss				
– Financial and contract assets	**(5,766)**	**(2,846)**	**–**	**(8,612)**
Reconciliation:				
Unallocated				**–**
Total				**(8,612)**
Depreciation and amortisation	**12,855**	**1,621**	**–**	**14,476**
Reconciliation:				
Unallocated				**229**
Total				**14,705**
Income and gains allocated	**316**	**2,250**	**–**	**2,566**
Finance costs allocated	**394**	**689**	**–**	**1,083**
Investment in an associate unallocated				**–**
Capital expenditure *(note (ii))*	**–**	**27**	**293**	**320**
Reconciliation:				
Unallocated				**–**
Total				**320**

Six months ended 30 June 2025 (Unaudited)

	Graphene products *HK$'000*	Landscape architecture design *HK$'000*	Total *HK$'000*
Other segment information			
Share of losses of associates unallocated			–
Impairment losses recognised in the statement of profit or loss			
– Financial and contract assets	1,579	(6,075)	(4,496)
– Property, plant and equipment and other intangible asset	–	–	–
Reconciliation:			
Unallocated			–
Total			(4,496)
Depreciation and amortisation	22,425	1,655	24,080
Reconciliation:			
Unallocated			345
Total			24,425
Income and gains allocated	1	1,854	1,855
Finance costs allocated	445	581	1,026
Investment in an associate unallocated			–
Capital expenditure *(note (ii))*	–	49	49
Reconciliation:			
Unallocated			–
Total			49

Notes:

(i) Adjusted segment EBITDA is defined as earnings before interest expense, taxation, depreciation and amortisation, and excludes fair value change on financial assets at fair value through profit or loss, written off of goodwill, impairment losses of other intangible assets and property, plant and equipment, share results of associates and joint ventures, impairment/(reversal of impairment) on financial and contract assets, loss on promissory note derecognised, unallocated other income and gains and corporate expenses.

A reconciliation of adjusted segment EBITDA to consolidated loss before income tax is provided as follows:

	30 June 2026	30 June 2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss before tax	**(38,734)**	(28,016)
Add:		
Finance costs	**7,003**	8,249
Amortisation and depreciation		
– property, plant and equipment	**511**	495
– right-of-use assets	**2,295**	2,377
– other intangible assets	**11,899**	21,553
EBITDA	**(17,026)**	4,658
Impairment loss of trade receivables, net	**9,175**	929
Impairment loss of contract assets, net	**(563)**	228
Impairment loss of other receivables, net	**–**	(5,653)
Fair value changes on financial assets at fair value through profit or loss	**17**	1
(Gain)/loss on disposal of items of property, plant and equipment	**–**	37
Corporate expenses		
– Directors and corporate staff salaries	**3,099**	3,092
– Auditor's remuneration	**149**	574
– Legal and professional expenses	**686**	3,662
– Publicity expenses	**278**	267
– Bank charges	**10**	606
– Loss on promissory note derecognised	**11**	1,817
– Others	**344**	469
	4,577	10,487
Unallocated income and gains		
– Dividend income from equity investments at fair value through other comprehensive income	**(23)**	(48)
– Interest income	**(298)**	(679)
– Others	**(408)**	(435)
	(729)	(1,162)
Adjusted segment EBITDA	**(4,549)**	9,525

(ii) Capital expenditure consists of additions to property, plant and equipment and other intangible assets except for right-of-use assets.

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Other income		
Service income	**1,766**	1,420
Dividend income from equity instruments at fair value through other comprehensive income	**23**	48
Interest income	**303**	682
Government grants *(note)*	**1,176**	431
	3,268	2,581
Gains		
Payable written back	**–**	277
Exchange difference, net	**(55)**	1
Others	**82**	158
	27	436
	3,295	3,017

Note: Government grants were received from government departments for promoting the Group's business in the local area. There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on interest-bearing borrowings	**4,864**	4,911
Interest on convertible notes	**464**	510
Interest on promissory note	**1,205**	2,295
Interest on lease liabilities	**470**	533
	7,003	8,249

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**47,217**	32,538
Cost of services provided	**15,997**	16,508
Cost of sales	**63,214**	49,046
Amortisation and depreciation		
– property, plant and equipment	**511**	495
– right-of-use assets	**2,295**	2,377
– other intangible assets	**11,899**	21,553
	14,705	24,425
Research and development cost: current year expenditure	**1,187**	2,554
Lease payments for leases less than 12 months	**684**	620
Auditor's remuneration	**207**	595
Employee benefit expense (including directors and chief executive's remuneration):		
– wages and salaries	**25,889**	24,706
– equity-settled share-based payment expenses	**–**	12
– pension scheme contributions (defined contribution scheme)	**2,593**	2,447
– welfare and other benefits	**128**	191
	28,610	27,356
Foreign exchange differences, net	**25**	4
Impairment loss of financial and contract assets, net		
Impairment loss of trade receivables, net	**9,175**	929
Impairment loss of contract assets, net	**(563)**	228
Impairment loss of financial assets included in other receivables and other assets, net	**–**	(5,653)
	8,612	(4,496)
Fair value loss on financial assets at fair value through profit or loss	**17**	1
Loss/(gain) on disposal of property, plant and equipment	**–**	37

8. INCOME TAX

The provision for Hong Kong Profits Tax for 2026 is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group, which is taxed at 8.25% on assessable profits on the first HK$2,000,000 of its assessable profit and less a special tax reduction capped at HK$3,000.

Earthasia (Shanghai) Co., Ltd. continued to be granted with the qualification of High and New Technology Enterprises on 15 November 2023 and is entitled to a preferential corporate income tax rate of 15% for a period of three years ended 31 December 2025. Earthasia (Shanghai) Co., Ltd. will apply for the renewal of qualification for High and New Technology Enterprises by 31 December 2026.

Earthasia (Qianhai) Limited has been provided corporate income tax at the rate of 15% (2025: 15%) on the estimated assessable profits as its main principal activities, of engaging in interior design and landscape, are recognised as encouraged industries in Qianhai district, Shenzhen in Mainland China.

Heilongjiang Mudanjiang Nongken Tanao Graphene Deep Processing Company Limited ("Tanao") is qualified for High and New Technology Enterprises and was entitled to a preferential corporate income tax rate of 15% for a period of three years ended 31 December 2025. As Tanao did not obtain the renewal of qualification for High and New Technology Enterprises by 31 December 2025, and Tanao is subject to a corporate income tax standard rate of 25% for the year ended 31 December 2026.

Other subsidiaries located in Mainland China are subject to corporate income tax at the statutory rate of 25% (2025: 25%) under the income tax rules and regulations in the PRC.

Graphex Technologies, LLC, a wholly-owned subsidiary of the Company, is incorporated in the USA and is subject to corporate income tax at 21% (2025: 21%).

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**–**	–
Mainland China	**(145)**	–
	(145)	–
Deferred tax	**2,949**	(3,424)
Total tax credit for the period	**(2,804)**	(3,424)

9. DIVIDEND

The board of directors of the Company does not recommend the payment of any interim dividend (six months ended 30 June 2025: nil) for the six months ended 30 June 2026.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent of HK$35,883,000 (six months ended 30 June 2025: HK$24,631,000), and the weighted average number of ordinary shares of 941,313,336 (six months ended 30 June 2025: 395,606,713) issued during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the convertible notes, warrants and share options outstanding had an anti-dilution effect on the basic loss per share amounts presented.

The calculation of basic loss per share was based on:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**(35,883)**	(24,631)

	Number of shares For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**941,313,336**	395,606,713

11. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade and bills receivables	**240,098**	180,980
Allowance for impairment	**(153,672)**	(138,835)
	86,426	42,145

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is two months, extending up to six months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bill receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivables balances. Trade and bills receivables are non-interest-bearing.

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

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 6 months	**60,845**	33,855
Over 6 months but within 1 year	**24,244**	6,807
Over 1 year but within 2 years	**1,311**	1,483
Over 2 years but within 3 years	**26**	–
Over 3 years	**–**	–
	86,426	42,145

12. TRADE PAYABLES

An aged analysis of trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 1 year	**44,695**	24,736
Over 1 year but within 2 years	**35**	93
Over 2 years but within 3 years	**30**	29
Over 3 years	**2,154**	2,094
	46,914	26,952

The trade payables are non-interest-bearing and are normally settled within three months.

13. SHARE CAPITAL

Ordinary shares

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Issued and fully paid		
941,313,336 (31 December 2025: 941,313,336) ordinary shares of HK$0.05 (31 December 2025: HK$0.05) each	**47,066**	47,066

A summary of movements in the Company's share capital is as follows:

	Number of issued and fully paid shares	Nominal value of shares	Share premium account
		HK$'000	*HK$'000*
As at 1 January 2026 and 30 June 2026	941,313,336	47,066	725,736

Preference shares

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Issued and fully paid		
323,657,534 (31 December 2025: 323,657,534) preference shares of HK$0.01 each	**3,236**	3,236

A summary of movements in the Company's preference share is as follows:

	Number of issued and fully paid preference shares	Nominal value of shares	Share premium account
		HK$'000	*HK$'000*
As at 1 January 2026 and 30 June 2026	323,657,534	3,236	175,191

Warrants

As at 30 June 2026, the Company had 341,911,763 (31 December 2025: 341,911,763) warrants outstanding. Each warrant entitles the registered holder the rights to subscribe one ordinary share of the Company at the exercise price of HK$0.17 (31 December 2025: HK$0.17) per ordinary share, subject to adjustment, at any time commencing on the grant date. The warrants will expire on the fifth anniversary of the issue date.

Movements of the warrants during the period ended 30 June 2026 and year ended and at 31 December 2025 are as follows:

	Number of securities to be issued upon exercise of outstanding warrants	Weighted-average exercise price	Weighted average remaining contractual life in years
		HK$	
As at 1 January 2025	89,423,076	0.65	1.5
Effect of share consolidation	(71,538,461)		
Effect of rights issue	324,027,148		
As at 31 December 2025	341,911,763	0.17	1.0
Exercise of warrants	–		
As at 30 June 2026	341,911,763	0.17	0.5

14. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim results announcement, no material event affecting the Group has occurred after the six months ended 30 June 2026.

15. COMPARATIVE FIGURES

Certain comparative information has been restated to conform with the current period's presentation.

16. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The financial statements were approved and authorised for issue by the board of directors on 28 August 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Graphene Products Business

The revenue contributed by the Graphene Products Segment for the period ended 30 June 2026 recorded a period-to-period increase of 0.1% to approximately HK$48.44 million, representing 63.9% of the total revenue of the Group. The adjusted EBITDA of Graphene Products Segment decreased by HK$10.7 million or 100.7% to approximately deficit of HK$0.1 million compared to the same period of 2025. The decrease in adjusted EBITDA was primarily due to market fluctuations.

During the accounting period, Graphex (Anhui) New Energy Materials Co., Limited ("Graphex Anhui") has implemented production lines with a capacity of 15,000 metric tons of anode material. As of this date, Graphex Anhui has already commenced production, and the Group expects it to make a positive contribution in the coming years.

The Group is honoured that its research project, "EcoFlux", has won a 2026 R&D 100 Award. The Group is proud of the achievement of its research team and its partner, the Hong Kong Applied Science and Technology Research Institute ("ASTRI"). EcoFlux is an innovative technology for manufacturing natural graphite anode material that demonstrates excellent electrochemical properties. It offers battery manufacturers an alternative to artificial graphite anode material. The manufacturing of EcoFlux-powered natural graphite anode material has a lower carbon footprint and is more cost-efficient than that of commercially available artificial graphite anode materials in the market. The Group is planning to industrialise the production of EcoFlux-powered anode materials, with the objective of supporting broader commercial application of the technology.

Landscape Architecture Business

The Group maintains its market position as one of the leading landscape architecture providers predominantly in the PRC and Hong Kong. It offers landscape architecture services to clients including governments, private property developers, state-owned property developers, design services companies and engineering companies in the PRC and Hong Kong.

The revenue of the Group's landscape architecture services segment decreased to approximately HK$24 million for the six months ended 30 June 2026, representing a decrease of approximately 15.7%, as compared with that of approximately HK$28.4 million for the six months ended 30 June 2025. The decrease in revenue was primarily due to the slowdown in real estate development market in China.

For the six months ended 30 June 2026, the Group entered into 11 new contracts with a total contract sum of approximately HK$11 million for projects located in the PRC and 10 new contracts with a total contract sum of approximately HK$3.2 million for projects located in Hong Kong. Geographically, approximately 77.5% of the new contract sum represented projects located in the PRC and approximately 22.5% represented projects located in Hong Kong in terms of contract sum.

The number of new contracts and contract sum entered by the Group compared with last reporting period are set out as follows:

Six months ended 30 June	No. of new contracts	Contract sum *(HK$'million)*
2026	**21**	**14.2**
2025	43	29.7

The new contract sum decreased to approximately HK$14.2 million for the six months ended 30 June 2026, representing a decrease of approximately 52.2%, as compared with that of approximately HK$29.7 million for the last reporting period.

Electric Vehicles Business

During the period under review, the Group expanded its operations into the electric vehicle ("EV") industry through the acquisition of Tronche International New Energy Vehicles Co., Limited ("Tronche"). On 3 February 2026, Allied Apex Limited ("Allied Apex"), a non-wholly owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party that Allied Apex acquired 40% of the issued share capital of Tronche with a consideration of HK$1,500,000 in cash. Upon completion, Tronche became a 58% indirect non wholly-owned subsidiary of the Company, and accordingly Tronche and its subsidiaries will be consolidated into the Group's financial statements. The downstream expansion has been strategized by the Group for several years. The Group considers the investment in Tronche a valuable opportunity to strengthen the Group's revenue structure. During the six months ended 30 June 2026, the revenue contributed by the Electric Vehicles Segment was HK$3.4 million, representing 4.5% of the total revenue of the Group. The adjusted EBITDA of Electric Vehicles Segment was approximately deficit of HK$0.02 million.

Tronche is engaged in the design, development and production of two-wheelers and three-wheelers short range EVs. Its products are sold primarily in neighbouring countries of China. The Group anticipates strong revenue increase from Tronche in the foreseeable future.

FINANCIAL REVIEW

Revenue

The Group's total revenue decreased to approximately HK$75.8 million in the first half of 2026, compared with HK$76.8 million for the six months ended 30 June 2025, representing year-on-year decrease of approximately 1.4%. The decrease was mainly attributable to the less favourable market and economic environment.

The graphene products segment maintained revenue of approximately HK$48.4 million, compared with HK$48.4 million for the six months ended 30 June 2025. The landscape architecture segment contributed revenue of approximately HK$24 million, representing a decrease of approximately 15.7%, compared with HK$28.4 million for the six months ended 30 June 2025.

Cost of sales

Cost of sales increased to approximately HK$63.2 million for the six months ended 30 June 2026, representing an increase of approximately 29%, as compared with that of approximately HK$49 million for the same period in 2025.

Cost of sales mainly represented cost of inventories in respect of graphene products business and electric vehicles business and project staff cost in respect of landscape architecture segment. The increase in cost of sales was mainly due to increase of cost of sales in graphene segment.

Gross profit and gross profit margin

Gross profit decreased to approximately HK$12.6 million for the six months ended 30 June 2026, representing a decrease of approximately 55%, as compared with that of approximately HK$27.8 million for the same period in 2025.

Gross profit margin decreased to approximately 17% for the six months ended 30 June 2026, as compared with that of approximately 36% for the same period in 2025. The decrease was mainly attributable to the decrease in the gross profit margin in the graphene segment and landscape architecture segment.

Selling and marketing expenses

Selling and marketing expenses was approximately HK$0.7 million for the six months ended 30 June 2026, maintaining a similar level, as compared with that of approximately HK$0.7 million for the same period in 2025.

Administrative expenses

Administrative expenses decreased to approximately HK$37 million for the six months ended 30 June 2026, representing a decrease of approximately 26%, as compared with that of approximately HK$50 million for the same period in 2025. The decrease was a combined effect of (i) a decrease in legal and professional fees of approximately HK$5.3 million attributable to the completion of the share consolidation and rights issue in 2025; and (ii) a decrease in amortization of approximately HK$9.7 million resulting from a lower carrying amount of intangible assets due to a substantial impairment recognized in 2025.

Impairment loss on financial and contract assets

During the six months ended 30 June 2026, the Group recognised an impairment losses on trade receivables, contract assets, and other receivables of approximately HK$8.6 million, compared to a reversal of impairment loss of approximately HK$4.5 million for the same period in 2025. It was primarily due to the collection of a single other receivable of approximately HK$5.7 million during the six months ended 30 June 2025.

Net loss

As a result of the foregoing, the loss attributable to owners of the Company was approximately HK$35.9 million for the six months ended 30 June 2026, as compared with that of a loss attributable to owners of the Company of approximately HK$24.6 million for the same period in 2025.

Liquidity, financial resources and gearing

The Group's objectives for capital management are to safeguard the Group's ability to continue as a going concern in order to maintain an optimal capital structure and reduce the cost of capital, while maximizing the return to shareholders through improving the debt and equity balance.

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
Current assets	**274,736**	256,372
Current liabilities	**421,031**	439,027
Current ratio	**0.65x**	0.58x

The current ratio of the Group at 30 June 2026 was approximately 0.65 times as compared to that of approximately 0.58 times at 31 December 2025 as a result of the rights issue completed during the year ended 31 December 2025.

At 30 June 2026, the Group had total cash and bank balances of approximately HK$20 million (31 December 2025: HK$27.3 million).

At 30 June 2026, the Group's gearing ratio (represented by total interest-bearing bank and other borrowings at the end of the period divided by total equity at the end of the respective period multiplied by 100%) was approximately 854.6% (31 December 2025: 541.6%).

The capital structure of the Company mainly comprises issued ordinary shares, preference shares and debt securities. As of 30 June 2026, the Company had outstanding issued corporate bonds with the carrying amount of approximately HK$96.8 million, issued promissory notes of approximately HK$28 million, issued convertible notes (as liability) of approximately HK$3 million, 941,313,336 ordinary shares and 323,657,534 preference shares in issue.

Contingent liabilities

The Group had no significant contingent liabilities as at 30 June 2026.

PLEDGE OF ASSETS

On 19 January 2021, Think High Global Limited, an indirect wholly-owned subsidiary of the Company established under the laws of the British Virgin Islands, which directly holds 100% of the equity interest of the graphene products business was charged in favour of Lexinter International Inc., a corporation incorporated under the laws of the Province of Ontario which is wholly-owned by Jeffrey Abramovitz, an individual carrying Canadian nationality, who shall subscribe the convertible notes and warrants issued by the Company in the aggregate principal amount of US$15,000,000 pursuant to the subscription agreement and supplemental agreement entered into on 19 January 2021 and 24 May 2021 respectively.

More details of the pledge were set out in the announcements of the Company dated 19 January 2021 and 24 May 2021, and circular of the Company dated 30 June 2021.

CAPITAL COMMITMENT

(i) At 30 June 2026 and 31 December 2025, the Group had the following capital commitments at the end of the reporting period:

	As at 30 June 2026 *HK$'000*	As at 31 December 2025 *HK$'000*
Contracted, but not provided for:		
Acquisition of property, plant and equipment	**52,039**	51,381

(ii) On 11 November 2025, Graphex (Anhui) New Energy Materials Co., Limited ("Graphex Anhui"), an indirect non-wholly owned subsidiary of the Group, entered into an equipment purchase agreement with the Vendor. Pursuant to the agreement, Graphex Anhui has agreed to purchase, and the Vendor has agreed to sell, equipment for a total consideration of RMB42,252,200 (equivalent to approximately HK$46,270,384 at an exchange rate of RMB1:HK$1.0951) for the Group's project in Anhui, the PRC. As at 31 December 2025, Graphex Anhui had paid RMB7,214,000 (equivalent to approximately HK$7,987,000) and recognised the amount as prepayments under the Group's consolidated statement of financial position.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates and invests in Hong Kong and the PRC but most of the transactions are denominated and settled in HKD and RMB. No significant foreign currency risk has been identified for the financial assets in the PRC as they were basically denominated in a currency same as the functional currencies of the group entities to which these transactions relate. Nevertheless, the Directors will closely monitor the Group's foreign currency position and consider natural hedge technique to manage its foreign currency exposures by non-financial methods, managing the transaction currency, leading and lagging payments, receivable management, etc. Save for meeting working capital needs, the Group only holds minimum foreign currency.

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 30 June 2026, the Group had 243 employees. Employees are remunerated according to nature of the job, market trend, and individual performance. Employee bonus is distributable based on the performance of the respective subsidiaries and the employees concerned.

The Group offers competitive remuneration and benefit package to employees. Employee benefits include mandatory provident fund, employee pension schemes in the PRC, contributions to social security system, medical coverage, insurance, training and development programs. As to defined contribution schemes, there is no forfeited contribution available for the Group to reduce its existing level of contributions to the retirement benefit scheme during the year.

During the period ended 30 June 2026, the Group had maintained a number of share schemes at the Company and subsidiary levels in order to recognise the contributions by selected eligible participants who are directors, officers, employees and service providers of the Group and to provide them with incentives for the continual operation and development of the Group and/or attract suitable personnel to join the Group.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed in this interim results announcement, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the period under review. Apart from those disclosed in this interim results announcement, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this interim results announcement.

PROSPECTS

The establishment of the Graphex Anhui facilities and Tronche facilities in Xuzhou represents significant major milestones for the Group. The Group will continue to enhance its business structure and production capabilities, with emphasis on both scale of quantity and quality. As the use of lithium-ion batteries continues to expand, the opportunity for growth is clear. The Group aims to launch its new natural graphite anode material products manufactured using EcoFlux technology as soon as practicable.

The heat waves we experienced this year may signal a longer-term trend rather than an isolated event. The Group remains committed to fulfilling its ESG responsibilities by refining production processes and implementing energy-saving measures.

TERMINATION OF AMERICAN DEPOSITARY RECEIPTS PROGRAMME

The last day of trading of the sponsored American Depositary Shares ("ADSs") was 14 July 2026 and the delisting of the ADSs took effect on 15 July 2026. Details of the termination of ADSs are set out in the Company's announcement dated 17 April 2026.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company acknowledges the important role of its Board in providing effective leadership and direction to its business, and ensuring transparency and accountability of its operations. In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules during the reporting period ended 30 June 2026. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Reference is made to the announcement of the Company dated 16 April 2026 in relation to, among others, the Company's non-compliance with Rules 3.10(1), 3.10A, 3.21 and 13.92(2) of the Listing Rules following the passing away of Ms. Tam Ip Fong Sin and resignation of Mr. Wang Yuncai as independent non-executive directors.

Following the appointment of Ms. Li Yu as an independent non-executive director and a member of the Audit Committee of the Board on 30 June 2026, the Company has fulfilled the following requirements of the Listing Rules: (i) the requirement under Rule 3.10(1) of the Listing Rules which stipulates that the board must include at least three INEDs; (ii) the requirement under Rule 3.10A of the Listing Rules which stipulates that the number of INEDs must represent at least one-third of the Board; (iii) the requirement under Rule 3.21 of the Listing Rules which stipulates that the Audit Committee must comprise a minimum of three members; and (iv) the requirement under Rule 13.92(2) of the Listing Rules which stipulates that the board of the issuer must have directors of different genders.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiries to all Directors, all of them confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established the Audit Committee to review and supervise the financial reporting process and internal Control procedures of the Group with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three members namely, Mr. Liu Kwong Sang (an independent non- executive Director), Mr. Ren Chunyu (an independent non-executive Director) and Ms. Li Yu (an independent non-executive Director). The chairman of the Audit Committee is Mr. Liu Kwong Sang.

REVIEW OF INTERIM RESULTS

The Group's interim results for the six months ended 30 June 2026 have not been reviewed by external auditor but have been reviewed by the audit committee of the Company that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.graphexgroup.com. The interim report for the six months ended 30 June 2026 will be available on the above websites in due course.

By Order of the Board
Graphex Group Limited
Lau Hing Tat Patrick
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the executive Directors are Mr. Lau Hing Tat Patrick, Mr. Chan Yick Yan Andross, Mr. Qiu Bin and Mr. Zhao Aiyong; the non-executive Director is Mr. Ma Lida; and the independent non-executive Directors are Mr. Liu Kwong Sang, Mr. Ren Chunyu and Ms. Li Yu.