



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

2026 INTERIM REPORT

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FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Results	For the six months ended 30 June		
	2026 HK\$'000	2025 HK\$'000	Change
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)%

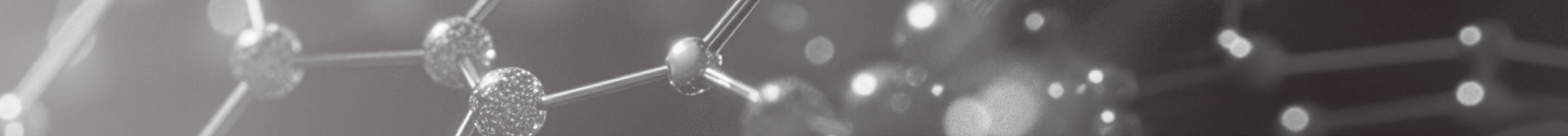
* Non-IFRS Measure

Results	At 30 June 2026 HK\$'000	At 31 December 2025 HK\$'000	Change
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 report. 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 report for reconciliation of loss before tax, an IFRS measure, to adjusted segment EBITDA.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lau Hing Tat Patrick
Mr. Chan Yick Yan Andross
Mr. Qiu Bin
Mr. Zhao Aiyong (appointed on 25 March 2026)

Non-executive Director

Mr. Ma Lida

Independent non-executive Directors

Mr. Liu Kwong Sang
Ms. Li Yu (appointed on 30 June 2026)
Mr. Ren Chunyu (appointed on 25 March 2026)
Mr. Wang Yuncai (resigned on 5 February 2026)
Ms. Tam Ip Fong Sin (passed away on 10 January 2026)

COMPANY SECRETARY

Mr. Kwok Ka Hei

REGISTERED OFFICE

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTER, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11/F COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

AUDIT COMMITTEE

Mr. Liu Kwong Sang (*Chairman*)
Mr. Ren Chunyu (appointed on 25 March 2026)
Ms. Li Yu (appointed on 30 June 2026)

REMUNERATION COMMITTEE

Mr. Liu Kwong Sang (*Chairman*)
Ms. Li Yu (appointed on 30 June 2026)

NOMINATION COMMITTEE

Mr. Liu Kwong Sang (*Chairman*)
Ms. Li Yu (appointed on 30 June 2026)

CORPORATE WEBSITE

www.graphexgroup.com

AUTHORISED REPRESENTATIVES

Mr. Kwok Ka Hei
Mr. Chan Yick Yan Andross

ALTERNATES TO AUTHORISED REPRESENTATIVES

Mr. Lau Hing Tat Patrick

PRINCIPAL BANKERS

Bank of China (Hong Kong)
Bank of Communications
The Bank of East Asia
The Hongkong and Shanghai Banking

PRINCIPAL SHARE REGISTRAR OFFICE

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

INVESTOR RELATIONS

Email: investrel@graphexgroup.com

LEGAL ADVISER AS TO HONG KONG LAW

Tso Au Yim & Yeung

AUDITOR

Crowe (HK) CPA Limited

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
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	13	142,250	174,377
Promissory notes		–	29,045
Convertible notes	14	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

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 LIABILITIES			
Lease liabilities		11,712	12,092
Interest-bearing borrowings	13	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	15	47,066	47,066
– preference shares	15	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

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital	Preference shares	Share premium account*	Share-based payment reserve*	Warrant reserve*	Fair value reserve*	Capital reserve*	Statutory reserve funds*	Exchange fluctuation reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2026													
As previously reported	47,066	3,236	900,927	6,252	19,943	(2,585)	5	10,701	(26,551)	(927,489)	31,505	9,793	41,298
Loss for the period	-	-	-	-	-	-	-	-	-	(35,883)	(35,883)	(47)	(35,930)
Other comprehensive income for the period:													
Exchange differences on translation of foreign operations	-	-	-	-	-	2	-	-	19,252	-	19,254	(306)	18,948
Total comprehensive loss for the period	-	-	-	-	-	2	-	-	19,252	(35,883)	(16,629)	(353)	(16,982)
Lapse of share option	-	-	-	(2,940)	-	-	-	-	-	2,940	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	450	450
Acquisition of non-controlling interest	-	-	-	-	-	-	215	-	-	-	215	(215)	-
At 30 June 2026 (unaudited)	47,066	3,236	900,927	3,312	19,943	(2,583)	220	10,701	(7,299)	(960,432)	15,091	9,675	24,766

* These reserve accounts as at 30 June 2026 comprise the consolidated other deficits of HK\$35,211,000 (31 December 2025: HK\$18,797,000) in the condensed consolidated statement of financial position.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

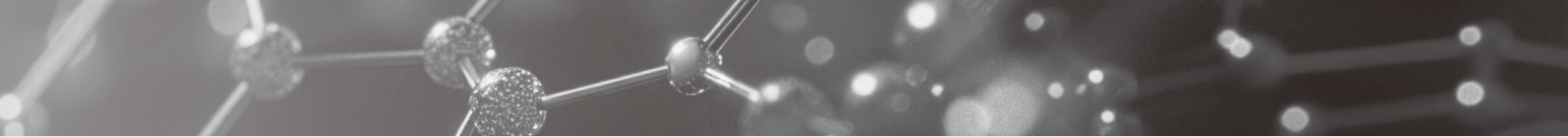
	Share capital HK\$'000	Preference shares HK\$'000	Share premium account* HK\$'000	Share- based payment reserve* HK\$'000	Conversion rights of convertible notes* HK\$'000	Warrant reserve* HK\$'000	Fair value reserve* HK\$'000	Capital reserve* HK\$'000	Reserve funds* HK\$'000	Exchange fluctuation reserve* HK\$'000	Accumulated losses* HK\$'000	Total	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2025														
As previously reported	11,738	3,236	817,646	8,824	827	19,943	(2,594)	5	10,701	(26,295)	(563,672)	280,359	1	280,360
Loss for the period	-	-	-	-	-	-	-	-	-	-	(24,631)	(24,631)	39	(24,592)
Other comprehensive income for the period:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(1)	-	-	7,504	-	7,503	-	7,503
Total comprehensive loss for the period	-	-	-	-	-	-	(1)	-	-	7,504	(24,631)	(17,128)	39	(17,089)
Issue of ordinary shares upon completion of Rights Issue	35,211	-	80,816	-	-	-	-	-	-	-	-	116,027	-	116,027
Equity-settled share-based transactions	-	-	-	12	-	-	-	-	-	-	-	12	-	12
At 30 June 2025 (unaudited)	46,949	3,236	898,462	8,836	827	19,943	(2,595)	5	10,701	(18,791)	(588,303)	379,270	40	379,310

* These reserve accounts as at 30 June 2025 comprise the consolidated other reserves of HK\$329,085,000 (31 December 2024: HK\$265,385,000) in the condensed consolidated statement of financial position.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Net cash flows used in operating activities	(9,332)	(23,403)
Net cash flows used in investing activities	6,841	(23,385)
Net cash flows generated from/(used in) financing activities	(14,875)	41,096
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,366)	(5,692)
Cash and cash equivalents at beginning of period	26,747	15,446
Effect of foreign exchange rate changes, net	10,055	883
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19,436	10,637



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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

2.1 BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURE (Continued)

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	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (Continued)

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)
<i>Reconciliations:</i>				
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)
<i>Reconciliations:</i>			
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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (Continued)

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
<i>Reconciliations:</i>				
Elimination of intersegment receivables				(24,715)
Unallocated assets				46,319
Total assets				557,784
Segment liabilities	115,760	106,804	7,963	230,527
<i>Reconciliations:</i>				
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
<i>Reconciliations:</i>			
Elimination of intersegment receivables			(23,618)
Unallocated assets			55,204
Total assets			541,935
Segment liabilities	89,826	115,311	205,137
<i>Reconciliations:</i>			
Elimination of intersegment payables			(23,618)
Unallocated liabilities			319,118
Total liabilities			500,637

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (Continued)

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)
<i>Reconciliation:</i>				
Unallocated				–
Total				(8,612)
Depreciation and amortisation	12,855	1,621	–	14,476
<i>Reconciliation:</i>				
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
<i>Reconciliation:</i>				
Unallocated				–
Total				320

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (Continued)

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	–	–	–
<i>Reconciliation:</i>			
Unallocated			–
Total			(4,496)
Depreciation and amortisation	22,425	1,655	24,080
<i>Reconciliation:</i>			
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
<i>Reconciliation:</i>			
Unallocated			–
Total			49

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

4. OPERATING SEGMENT INFORMATION (Continued)

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 (Unaudited) HK\$'000	30 June 2025 (Unaudited) 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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

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.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

11. TRADE AND BILLS RECEIVABLES

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) 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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

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. INTEREST-BEARING BORROWINGS

	Notes	Effective interest rate (%)	Maturity	30 June 2026 (Unaudited) HK\$'000
Current				
Bank borrowing – guaranteed	(a)	2.55–3.6	July 2026 to October 2028	31,205
Other borrowing – unsecured	(b)	3.75–15	On demand	14,289
Current portion of corporate bonds – unsecured	(c)	6–10.04	On demand	96,756
				142,250
Non-current				
Other borrowing – unsecured	(b)	9	31 December 2027	6,000
Loan from directors	(d)	3.75–6	31 December 2027	17,815
				23,815

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

13. INTEREST-BEARING BORROWINGS (Continued)

31 December 2025 (Audited)				
	Notes	Effective interest rate (%)	Maturity	HK\$'000
Current				
Bank borrowing – guaranteed	(a)	2.55–3.6	May 2026 to October 2028	32,108
Other borrowing – unsecured	(b)	5–14.4	On demand to December 2026	15,626
Current portion of corporate bonds				
– unsecured	(c)	6	On demand	92,056
– unsecured	(c)	6	February 2026	12,500
Loans from directors	(d)	3.75–6	January 2026	22,087
				174,377
Non-current				
				–

Notes:

- (a) As at 30 June 2026, the Group had outstanding bank borrowings of HK\$31,205,000 (31 December 2025: HK\$32,108,000) denominated in Renminbi, carry fixed interest rate at 2.55% to 3.6% per annum (31 December 2025: 2.55% to 3.6%) and repayable within one year. The bank borrowings were secured by a guarantee provided by the Company.
- (b) Included in the Group's other borrowings – unsecured, HK\$1,036,000 (31 December 2025: HK\$1,052,000) was denominated in Renminbi and repayable on demand; HK\$17,459,000 (31 December 2025: HK\$12,000,000) was denominated in Hong Kong dollars, and of which, HK\$11,459,000 (31 December 2025: HK\$12,000,000) and HK\$6,000,000 (31 December 2025: HK\$nil) were included under current and non-current liabilities respectively, HK\$1,794,000 (31 December 2025: HK\$2,574,000) was denominated in US dollar and included in current liabilities.
- (c) The movements of corporate bonds recognised and carried at amortised cost in the consolidated financial statements are as follows:

	HK\$'000
As at 1 January 2025	113,767
Repayment	(9,211)
Interest charged	3,012
Interest paid and interest payable included in other payables and accruals	(3,012)
Carrying amount as at 31 December 2025	104,556
Repayment	(7,800)
Interest charged	64
Interest paid and interest payable included in other payables and accruals	(64)
Carrying amount as at 30 June 2026	96,756

The Group's corporate bonds were denominated in Hong Kong dollars, unsecured and bearing interest at the rate of 6% (2025: 6%) per annum.

- (d) Included in the Group's loans from directors were, HK\$3,166,000 (2025: HK\$9,687,000) and HK\$14,649,000 (2025: HK\$12,400,000) which were unsecured, denominated in Renminbi and Hong Kong dollars and bearing interest at the rate of 3.75% and 6% per annum, respectively.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

14. CONVERTIBLE NOTES

	Liability component HK\$'000	Equity component Conversion rights HK\$'000	Warrant reserve HK\$'000	Total HK\$'000
At 1 January 2025 and 31 December 2025	3,798	827	19,943	24,568
Repayment	(775)	(208)	–	(983)
At 30 June 2026	3,023	619	19,943	23,585
At 30 June 2026				
Current portion of convertible notes	3,023			
Non-current portion of convertible notes	–			
At 31 December 2025				
Current portion of convertible notes	3,798			
Non-current portion of convertible notes	–			

Pursuant to the subscription agreement entered into between the Company and Lexinter International Inc. ("Lexinter") on 19 January 2021 ("Subscription Agreement"), the financial obligations in each of the convertible notes are fixed in Hong Kong dollars at the fixed exchange rate of HK\$7.75:US\$1, for either cash settlement or for share conversion into ordinary shares of the Company.

The conversion rights embedded with the convertible notes are exercisable into ordinary shares at the price of HK\$0.65 per ordinary share and the convertible notes bear coupon interests at the coupon rate of 5.5% per annum and will be due for repayment on the second anniversary of their respective issue dates. The expiry date of convertible notes is two years from the date of issue.

The conversion rights embedded with the convertible notes are regarded as equity component as they meet with the fixed-for-fixed rule of IAS 32 i.e. fixed number of ordinary shares of the Company will be issued upon the exercise of each of the conversion rights or fixed amount of Hong Kong dollars for cash settlement, as stipulated in the Subscription Agreement.

At the time of issuance, the Company allocated the proceeds to liability component in respect of the conversion rights of the convertible notes as follows:

- (i) Liability component of the convertible notes represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rates applicable to instruments of comparable credit status taken into account the business risk and financial risk of the Company at the issue date; and
- (ii) Equity component in respect of conversion rights of convertible notes represent the excess of proceeds over liability component of the convertible notes as determined in (i) above.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

14. CONVERTIBLE NOTES (Continued)

At 31 December 2025, there were outstanding convertible notes with conversion rights lapsed and aggregate principal value of US\$490,000 (2024: US\$490,000), which was equivalent to approximately HK\$3,798,000 (2024: HK\$3,798,000) at the fixed exchange rate of HK\$7.75:US\$1, for either cash settlement or share conversion into ordinary shares of the Company, as stipulated in the Subscription Agreement. The outstanding convertible notes (with conversion rights lapsed) were overdue and the holders of these outstanding convertible notes (with conversion rights lapsed) have not taken any legal action against the Company.

During the period ended 30 June 2026, principal value of US\$100,000 which was equivalent to approximately HK\$775,000 at the fixed exchange rate of HK\$7.75:US\$1 was repaid to one convertible notes holder.

At 30 June 2026, the effective interest rate of the liabilities component of the convertible notes ranged from 18.84% to 22.04% (2025: 18.84% to 22.04%).

At 30 June 2026 and 31 December 2025, the entire issued capital of Think High Global Limited, which holds 100% of the Graphene Products Business, was charged in favour of Lexinter for the outstanding convertible notes and the warrants.

15. 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 HK\$'000	Share premium account HK\$'000
As at 1 January 2026 and 30 June 2026	941,313,336	47,066	725,736

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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15. SHARE CAPITAL (Continued)

Preference shares

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) 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 HK\$'000	Share premium account 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 HK\$	Weighted average remaining contractual life in years
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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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16. MATERIAL RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in the condensed financial statements, the Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June	
		2026	2025
		(Unaudited) HK\$'000	(Unaudited) HK\$'000
Loans to			
上海奕桂品牌管理有限公司 ("Yigui")	(i)	510	20,155
Earthasia Worldwide Holdings Limited ("EA Trading")	(ii)	–	10,609
Repayment of loans from			
EA Trading	(ii)	2,423	2,709
Yigui	(i)	3,516	13,292
Interest income from			
EA Trading	(ii)	298	676
Service income			
EA Trading		1,652	1,035
Loan from			
Andross Chan	(iii)	1,056	11,830
Patrick Lau	(iii)	1,193	9,156
Repayment of loan to			
Andross Chan	(iii)	5,670	–
Interest expenses to			
Andross Chan	(iii)	129	245
Patrick Lau	(iii)	310	245

Notes:

- (i) The Group granted a short-term loan in aggregate of RMB450,000 (six months ended 30 June 2025: RMB18,575,000) to Yigui, a joint venture of the Group during the period. The interest rate was 4% (six months ended 30 June 2025: 4%) per annum. During the six month ended 30 June 2026, Yigui repaid RMB3,100,000 (six months ended 30 June 2025: RMB12,250,000) to the Group. The outstanding balance of the loan was RMB9,315,000 as at 30 June 2026 (six months ended 30 June 2025: RMB11,485,000).
- (ii) On 27 March 2025, the Group renewed its existing revolving loan facility of HK\$21,000,000 granted to EA Trading, a joint venture of the Group, to support its business operation with a one-year term which was unsecured and bore interest at 12% per annum. The outstanding principal and interest were HK\$2,207,000 and HK\$537,000 (31 December 2025: HK\$4,630,000 and HK\$239,000), respectively, as at 30 June 2026.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

16. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes: (Continued)

(iii) On 2 January 2025, Mr. Chan Yick Yan Andross ("Mr Chan"), a director of the Company, entered into two loan agreements, for two loans of HK\$2,228,000 and RMB8,750,000 (approximately equivalent to HK\$9,602,000), with the Company with one year term which are unsecured and bearing interest at 6% and 3.75% per annum, respectively. On 2 July 2025, Mr. Chan entered into another loan agreement of HK\$1,016,000 with the Company with one year term which is unsecured and bearing interest at 6% per annum. On 31 March 2026, Mr. Chan agreed to extend the due dates of repayment of the loans to 31 December 2027. On 2 January 2026, Mr. Chan entered into another loan agreement of HK\$1,056,000 with the Company with a due date of 31 December 2027 which is unsecured and bearing interest at 6% per annum. Interest expense of HK\$129,000 was charged to the consolidated profit or loss for the six months ended 30 June 2026 (six months ended 30 June 2025: HK\$245,000). The outstanding balance of the loans were HK\$4,300,000 and RMB2,750,000 (approximately equivalent to HK\$3,166,000) and classified as non-current liabilities of the Company as at 30 June 2026.

On 2 January 2025, Mr. Lau Hing Tat Patrick ("Mr. Lau"), a director of the Company, entered into a loan agreement of HK\$9,156,000 with the Company with one year term which is unsecured and bearing interest at 6% per annum. On 31 March 2026, Mr. Lau agreed to extend the due dates of repayment of the loan to 31 December 2027. On 2 January 2026, Mr. Lau entered into another loan agreement of HK\$1,193,000 with the Company with a due date of 31 December 2027 which is unsecured and bearing interest at 6% per annum. Interest expense of HK\$310,000 was charged to the consolidated profit or loss for the six months ended 30 June 2026 (six months ended 30 June 2025: HK\$245,000). The aggregated outstanding balance of the loans was HK\$10,349,000 and classified as non-current liabilities of the Company as at 30 June 2026.

(b) In addition to the balances detailed elsewhere in the condensed financial statements, the Group had the following balances with related parties during the period:

- (i) Details of the Group's loan to an associate with net balance HK\$nil (31 December 2025: HK\$nil) after net of provision of HK\$1,036,000 (31 December 2025: HK\$987,000) are included in the Group's prepayment, deposits and other receivables.
- (ii) Included in the Group's prepayment, deposits and other receivables were an amount due from joint ventures of HK\$823,000 (2025: HK\$754,000), which have no fixed terms of repayment and are interest-free and unsecured.
- (iii) Included in the Group's other payables and accruals were amounts due to directors, Mr. Patrick Lau of HK\$1,291,000 (31 December 2025: HK\$549,000), Mr. Andross Chan of HK\$835,000 (31 December 2025: HK\$528,000) and Mr. Qiu Bin of HK\$18,773,000 (31 December 2025: HK\$12,962,000) and which were interest-free, unsecured and repayable on demand.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

17. EVENTS AFTER THE REPORTING PERIOD

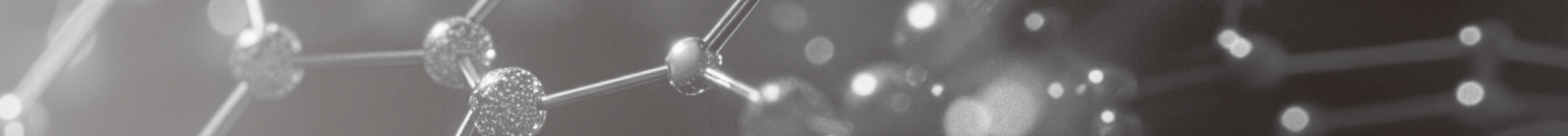
Save as disclosed in this interim report, no material event affecting the Group has occurred after the six months ended 30 June 2026.

18. COMPARATIVE FIGURES

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

19. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 HK\$'000	As at 31 December 2025 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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 report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this interim report.

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.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its associated corporations

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO) which (i) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein; or (iii) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange are as follows:

Long position in the shares and underlying shares

Name of Director	Capacity	Number of shares				Number of underlying shares held under the Share Option Scheme	Approximate % of shareholding	
		Personal interest	Family interest	Corporate interest	Other interest		Total	
Chan Yick Yan Andross	Beneficial owner	34,722,177	–	–	–	–	34,722,177	3.69%
Lau Hing Tat Patrick	Beneficial owner	28,945,089	–	–	–	–	28,945,089	3.07%
Qiu Bin	Beneficial owner	136,000	–	–	–	–	136,000	0.01%

Long position in the shares of associated corporations of the Company

Name of director	Name of associated corporation	Nature of interest	Number of shares and class of shares held	Approximate % of shareholding
Chan Yick Yan Andross	Earthasia (International) Limited	Beneficial owner	50 (ordinary shares)	0.98%
Lau Hing Tat Patrick	Earthasia (International) Limited	Beneficial owner	50 (ordinary shares)	0.98%

Saved as disclosed above, as at 30 June 2026, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2026, so far as the Directors and chief executive of the Company are aware, other than the interests of the Directors and chief executive of the Company as disclosed in the section titled "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations", the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

Long position in the shares

Name of shareholder	Capacity/nature of interest	Number of shares	Approximately % of shareholding
Tycoon Partner Holdings Limited ¹	Beneficial owner	112,500,000	11.95%
Wu Wenbei ¹	Interest of controlled corporation	112,500,000	11.95%
Shen Taoyu ¹	Interest of controlled corporation	112,500,000	11.95%
Yu Justin	Beneficial owner	92,500,000	9.83%

Note:

1. Tycoon Partner Holdings Limited is owned as to 50% and 50% by Mr. Shen Taoyu and Mr. Wu Wenbei respectively. Accordingly, each of them is deemed to be interested in the shares of the Company held by Tycoon Partner Holdings Limited under the SFO.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

The Directors were not aware of any business or interest of the Directors and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the period ended 30 June 2026.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of Directors are set out below:

Director	Details of Change
Ms. Li Yu	Appointed as an independent non-executive director on 30 June 2026
Mr. Zhao Aiyong	Appointed as an Executive Director on 25 March 2026
Mr. Ren Chunyu	Appointed as an Independent non-executive Director on 25 March 2026
Mr. Wang Yuncai	Ceased to be an Independent non-executive Director since 5 February 2026
Ms. Tam Ip Fong Sin	Ceased to be an Independent non-executive Director since 10 January 2026

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.

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was adopted by the Company on 3 June 2014 and became effective on 25 June 2014.

The Board has resolved to terminate the existing share option scheme on 9 January 2023.

All the options forfeited before expiry of the Share Option Scheme will be treated as lapsed options which will not be added back to the number of shares available to be issued under the Share Option Scheme.

A summary of the movements of the outstanding share options during the six months ended 30 June 2026 are as follows:

					Number of Share Options					
Grantees	Date of grant	Vesting date	Exercisable period	Exercise price (HK\$)	As at 1/1/2024	Granted	Exercised	Cancelled/ Lapsed	Adjusted during the period	As at 30/6/2026
Employee(s)										
Other employee(s)	28/1/2021	28/1/2021	28/1/2021 to 27/1/2026	1.82	3,450,306	–	–	(3,450,306) (note 2)	–	–

Notes:

1. The closing price of the Shares immediately before the date on which the options were granted was HK\$0.6.
2. 3,450,306 share options were lapsed on 27 January 2026.

Save as disclosed above, at no time during the period under review was the Company or its subsidiaries a party to any arrangement that enabled the Directors or any of their associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER INFORMATION

2023 SHARE AWARD SCHEME

On 9 January 2023, the Company terminated the existing Share Option Scheme and Share Award Scheme and adopted the 2023 Share Award Scheme with effective from 6 February 2023 in order to provide eligible participants with equity incentives.

Summary of the 2023 Share Award Scheme

- | | |
|--|---|
| 1. Purposes | (i) to attract talents, suitable personnel and entities that are eligible participants; (ii) to award certain selected participants with awarded shares for accepting their appointments, employments or engagement by the Group and related entities; (iii) to recognize the contributions by certain selected participants and to provide them with incentives in order to retain them for the continual operation, development and growth of the Group and related entities; and (iv) to improve or create sense of connection and/or loyalty of certain selected participants to the Group and related entities |
| 2. Qualifying participants | (i) Any director and employee of the Group or its subsidiaries; (ii) Any director and employee of the related entities of the Group; and (iii) Any person who provided services to the Group on a continuing or recurring basis |
| 3. Maximum number of shares | Not exceeding 10% of the shares of the Company in issue as at the date of adoption of the 2023 Share Award Scheme (i.e. 68,349,307 shares) |
| 4. Maximum entitlement of each participant | Not exceed 1% of the issued share capital of the Company from time to time |
| 5. Vesting period | Subject to the terms and condition of the 2023 Share Award Scheme and the fulfillment of all vesting conditions to the vesting of the awarded Shares on such selected employee as specified in the grant notice and in accordance with the vesting schedule (if any) as set out therein |
| 6. The amount payable on acceptance of the award | Nil |
| 7. The remaining life of the scheme | It shall be valid and effect for a period of 10 years commencing on 6 February 2023 |

The Remuneration Committee has noted that the 2023 Share Award Scheme is intended to attract talents, suitable personnel and entities who will accept awarded shares as part of their remuneration, compensation or payment packages for the development and growth of the businesses of the Group; to award certain selected participants with award shares for accepting their appointments, employments or engagement by the Group; to provide certain participants with incentives in order to retain them for the continual operation, development and growth of the Group and to improve or create sense of connection and/or loyalty of certain selected participants to the Group. In recommending the grant of those share awards to the selected participants and determining the number of share awards and the relevant vesting periods for the share awards to be granted, the Remuneration Committee has considered factors such as (i) whether they were considered as talent and personnel that could contribute to the development and growth of the business of the Group that the Company would want to recruit with reference to their industry experience, tenure and roles with the Group; (ii) the remuneration of them including the grant of share awards as part of their remuneration packages as an incentive offered by the Group as compared with those offered by the industry peers in order to attract them in joining the Group; (iii) whether they would accept award shares as part of their remuneration or compensation package and as inducement for them to accept any offer for appointment; (iv) the business synergy and opportunities that might be brought by them to the Group; and (v) whether the share awards could further motivate their performances for the benefit of the businesses of the Group.

During the six months ended 30 June 2026, there was no share awards granted under the 2023 Share Award Scheme.

During the six months ended 30 June 2026, the number of unvested awards granted under the 2023 Share Award Scheme at the beginning and end of the reporting period were nil. No award granted under the 2023 Share Award Scheme was cancelled or lapsed in accordance with the terms of the 2023 Share Award Scheme during the reporting period.

During the six months ended 30 June 2026, the equity-settled share-based compensation under the 2023 Share Award Scheme was HK\$nil.

Details of the 2023 Share Award Scheme are set out in the Company's announcement dated 9 January 2023, 12 June 2023, 24 July 2023 and 14 December 2023 and circular dated 12 January 2023.

The number of award shares available for grant under the 2023 Share Award Scheme at the beginning and end of the six months ended 30 June 2026 were nil.

The number of shares that may be issued in respect of the share awards granted under the 2023 Share Award Scheme is 2,889,610 Shares, representing approximately 0.3% of the weighted average number of Shares issued and outstanding for the six months ended 30 June 2026.

No share awards were granted, vested or lapsed during the period ended 30 June 2026.

OTHER INFORMATION

EIL SHARE AWARD SCHEME

On 19 January 2021, Earthasia (International) Limited, an indirect wholly-owned subsidiary of the Company, also adopted a share award scheme (the “EIL Share Award Scheme”). Details of the EIL Share Award Scheme were set out in the announcements of the Company dated 19 January 2021.

Summary of the EIL Share Award Scheme

- | | |
|--|---|
| 1. Purposes | to recognise the contributions made or to be made by certain participants and to provide them with incentives in order to retain them for the continual operation and development of EIL Group and to attract suitable personnel for further development of the EIL Group |
| 2. Qualifying participants | (i) any individual being an employee (including without limitation any director) of any member of the EIL Group; (ii) any agent or consultant to the EIL Group; and (iii) any business or joint venture partner, contractor, any party providing advisory, consultancy, professional services to the EIL Group, or any other persons who have contributed or may contribute to the operation and development of the EIL Group |
| 3. Maximum number of shares | Not exceeding 10% of the shares of EIL (“EIL Shares”) in issue as at the date of adoption of the EIL Share Award Scheme (i.e. 500 EIL Shares) |
| 4. Maximum entitlement of each participant | Not exceed 1% of the issued share capital of EIL from time to time |
| 5. Vesting period | Subject to the terms and conditions of the EIL Share Award Scheme and the fulfillment of all vesting conditions to the vesting of the awarded EIL Shares on such participant as specified in the EIL Share Award Scheme and the grant notice |
| 6. The amount payable on acceptance of the award | HK\$1.00 per awarded EIL Share |
| 7. The remaining life of the scheme | It shall be valid and effect for a period of 10 years commencing on 19 January 2021 |

During the period ended 30 June 2026, no EIL share awards granted. No unvested EIL share awards were outstanding as at 30 June 2026.

During the period ended 30 June 2026, no equity-settled share-based compensation under the Scheme is included in employee benefit expenses.

The number of award EIL Shares available for grant under the EIL Share Award Scheme at the beginning and end of the period ended 30 June 2026 were 400 EIL Shares and 400 EIL Shares respectively.

During the period ended 30 June 2026, EIL was not a principal subsidiary of the Company within the meaning of Rule 17.14 of the Listing Rules.

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.

OTHER INFORMATION

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).

APPRECIATION

Finally, we would like to express our gratitude to the Shareholders, business partners, subconsultants and customers for their continuous support. We would also like to thank our dedicated staff for their contributions to the success of the Group.

Lau Hing Tat Patrick

Chairman

Hong Kong, 28 August 2026