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website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

SUMMARY OF RESULTS

The board (the “Board”) of directors (the “Directors”) of Greater China Financial Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 (the “Period”), together with the comparative figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	NOTES	Six months ended 30 June	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	3	10,168	8,799
Cost of sales		<u>(13)</u>	<u>(176)</u>
Gross profit		10,155	8,623
Other income, gains and losses	4	(805)	5,033
Administrative and other operating expenses		(20,238)	(24,130)
Finance costs	5	(19,516)	(19,577)
Provision for financial guarantees		(208)	(340)
Impairment loss, net of reversal	6	<u>–</u>	<u>(30,432)</u>
Loss before taxation		(30,612)	(60,823)
Income tax expense	7	<u>–</u>	<u>–</u>
Loss for the period	8	<u>(30,612)</u>	<u>(60,823)</u>

		Six months ended 30 June	
		2025	2024
<i>NOTE</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Other comprehensive (expense) income, net of tax			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
	Change in fair value of financial assets at fair value through other comprehensive income	404	22
<i>Item that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences on translation of foreign operations	(22,124)	14,562
Other comprehensive (expense) income for the period		(21,720)	14,584
Total comprehensive expense for the period		(52,332)	(46,239)
Loss for the period attributable to:			
	Owners of the Company	(26,045)	(31,203)
	Non-controlling interests	(4,567)	(29,620)
		(30,612)	(60,823)
Total comprehensive expense for the period attributable to:			
	Owners of the Company	(44,255)	(16,902)
	Non-controlling interests	(8,077)	(29,337)
		(52,332)	(46,239)
		<i>HK cents</i>	<i>HK cents</i>
Loss per share		10	
	– Basic	(0.33)	(0.40)
	– Diluted	(0.33)	(0.40)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

	<i>NOTE</i>	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment		40,180	41,346
Right-of-use assets		17,638	17,486
Goodwill		3,234	–
Intangible assets		–	–
Interests in associates		–	–
Financial assets at fair value through other comprehensive income		883	479
		61,935	59,311
Current assets			
Inventories		15,832	–
Loans and interest receivables		446	433
Trade and other receivables	<i>11</i>	20,290	15,452
Prepayments and deposits		9,128	8,137
Loans to and interest receivables from a non-controlling interest		–	–
Loans to and interest receivables from an associate		–	–
Restricted bank deposit		6,172	6,198
Pledged bank deposit		5,473	5,321
Cash and cash equivalents		21,174	30,072
		78,515	65,613

	<i>NOTES</i>	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Current liabilities			
Trade payables, other payables, deposit received and accruals	<i>12</i>	154,266	122,539
Contract liabilities		168	170
Lease liabilities		83	81
Liabilities from financial guarantees	<i>13</i>	518,568	504,010
Amount due to non-controlling interests		11,375	10,974
Borrowings		234,520	222,138
Convertible notes		31,377	22,271
Tax payables		21,680	21,064
		<u>972,037</u>	<u>903,247</u>
Net current liabilities		<u>(893,522)</u>	<u>(837,634)</u>
Total assets less current liabilities		<u>(831,587)</u>	<u>(778,323)</u>
Non-current liabilities			
Lease liabilities		47	46
Borrowings		62,387	63,320
		<u>62,434</u>	<u>63,366</u>
Net liabilities		<u>(894,021)</u>	<u>(841,689)</u>
Capital and reserves			
Share capital	<i>14</i>	7,776	7,776
Reserves		(786,392)	(742,137)
Deficit attributable to owners of the Company		(778,616)	(734,361)
Non-controlling interests		(115,405)	(107,328)
Total deficit		<u>(894,021)</u>	<u>(841,689)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix D2 (formerly known as Appendix 16) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024.

Unavailability of Books and Records of certain subsidiaries of the Group relating to the loan financing business in Beijing

Since July 2024, the Directors have been unable to obtain access to the accounting books and records, and supporting documents, including bank statements and operational data (the “Books and Records”) in spite of repeated attempts made to the local management (the “Responsible Persons”) of nine indirect wholly-owned subsidiaries of the Company (collectively as the “Subject Subsidiaries”) who were responsible for preparing and maintaining the Books and Records of the Subject Subsidiaries due to certain remuneration-related disputes (the “Disputes”).

The Subject Subsidiaries were principally engaged in provision of financial guarantee, loan referral and consultancy services in Beijing. The issue arose due to remuneration-related disputes, resulting in non-cooperation from the local management and staff and, consequently, their failure to provide the Books and Records to the Group.

Up to the date of approval of these condensed consolidated financial statements, the Directors were still unable to access the Books and Records of the Subject Subsidiaries. The Directors considered that they had made their best efforts and all reasonable steps were taken.

In view of the unavailability of the Books and Records and for the purposes of the preparation of the Group’s condensed consolidated financial statements for the period ended 30 June 2025, the Directors considered there was no material transaction of the Subject Subsidiaries for the period from 1 July 2024 to 30 June 2025, and have determined to consolidate the Subject Subsidiaries based primarily on the carrying amounts of their assets and liabilities as at 30 June 2024 (“Relevant Records”).

Going concern basis

The Group reported a loss attributable to the owners of the Company of HK\$26,045,000 for the six months ended 30 June 2025. The Group's current liabilities exceeded its current assets by HK\$893,522,000 and its total liabilities exceeded its total assets by HK\$894,021,000 as at 30 June 2025. As at the same date, the Group's cash and cash equivalents amounted to HK\$21,174,000, while the Group recorded current borrowing of approximately HK\$234,520,000, accrued interest payables of approximately HK\$47,765,000 and convertible notes of approximately HK\$31,377,000. The Group has provided guarantees to some of its customers' lenders in relation to these customers' facilities and loans amounting to approximately HK\$518,568,000 were defaulted and provision for litigation liabilities amounting to approximately HK\$7,653,000. Besides, current borrowings of approximately HK\$207,235,000 as at 30 June 2025 were in default as at the date of this announcement.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to improve the liquidity pressure and to improve its financial position, but are not limited to, the following:

- (i) The Company entered into a sales and purchases agreement with an independent third party of the Group to dispose of the subsidiaries engaged in the provision of financial guarantee business in the Beijing as the business incurred significant portion of the overall liabilities of the Group;
- (ii) The Group is taking measures to tighten cost control with an aim to attain positive cash flow from operations; and
- (iii) The Group is considering corporate restructure proposals to reduce the liabilities and commitment within the Group.

These conditions, and the measures taken by the Directors, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the date of this announcement. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from the date of this announcement. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Should the Group fail to achieve the abovementioned measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

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

Amendments to HKAS 21 and HKFRS 1 Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operations are organised into asset management, insurance brokerage, loan financing, tobacco flavours, industrial property development business and general trading. Information reported to the chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group is organised into the following reportable and operating segment:

- Industrial property development segment represents the operation of warehouse in the People's Republic of China (the "PRC").
- General trading segment represents trading of consumable goods in the PRC.
- Tobacco flavours segment represents manufacturing and trading of tobacco flavours, natural flavours and semi-finished flavours in the PRC.
- Loan financing segment represents the provision of financial guarantee, loan financing, micro-financing, loan referral and consultancy services in Hong Kong, Ningbo and Beijing.
- Others segment represents the operation of provision of asset management services and provision of insurance brokerage and agency service in Hong Kong and advertising service in the PRC.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

Six months ended 30 June 2025 (unaudited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Tobacco flavours <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE FROM CUSTOMERS						
Recognised at a point in time	-	-	-	-	1,655	1,655
Recognised over time	7,543	-	-	-	970	8,513
	<u>7,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,625</u>	<u>10,168</u>
SEGMENT RESULTS	<u>818</u>	<u>(382)</u>	<u>(322)</u>	<u>(9,611)</u>	<u>(1,050)</u>	<u>(10,547)</u>
Unallocated corporate income						241
Unallocated corporate expenses						(10,160)
Unallocated finance costs						(10,146)
Loss before taxation						(30,612)
Income tax expense						-
Loss for the period						<u>(30,612)</u>

Six months ended 30 June 2024 (unaudited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT REVENUE FROM CUSTOMERS					
Recognised at a point in time	–	–	–	1,496	1,496
Recognised over time	<u>6,476</u>	<u>–</u>	<u>160</u>	<u>667</u>	<u>7,303</u>
	<u>6,476</u>	<u>–</u>	<u>160</u>	<u>2,163</u>	<u>8,799</u>
SEGMENT RESULTS	<u>(2,381)</u>	<u>(412)</u>	<u>(45,124)</u>	<u>(2,197)</u>	<u>(50,114)</u>
Reversal of impairment loss on other receivables					5,514
Unallocated corporate income					1,099
Unallocated corporate expenses					(10,957)
Unallocated finance costs					(9,484)
Net fair value change on financial assets at fair value through profit or loss					<u>3,119</u>
Loss before taxation					(60,823)
Income tax expense					<u>–</u>
Loss for the period					<u>(60,823)</u>

All of the segment revenue reported above are from external customers.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 30 June 2025 (unaudited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Tobacco flavours <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	60,391	8,571	22,055	33,965	3,888	128,870
Goodwill	–	–	3,234	–	–	3,234
Loans to and interest receivables from a non-controlling interest	–	–	–	–	–	–
Unallocated cash and cash equivalents						5,803
Unallocated other receivables, prepayments and deposits						1,660
Unallocated financial assets at fair value through other comprehensive income						883
Consolidated total assets						<u>140,450</u>
LIABILITIES						
Segment liabilities	69,544	16,563	25,576	835,562	2,577	949,822
Unallocated other payables						7,497
Unallocated borrowings						34,400
Unallocated amount due to non-controlling interests						11,375
Unallocated convertible notes						31,377
Consolidated total liabilities						<u>1,034,471</u>

At 31 December 2024 (audited)

	Industrial property development <i>HK\$'000</i>	General trading <i>HK\$'000</i>	Loan financing <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS					
Segment assets	63,100	14,076	31,973	9,382	118,531
Loans to interest receivables from a non-controlling interest	–	–	–	–	–
Unallocated cash and cash equivalents					4,590
Unallocated other receivables, prepayments and deposits					1,324
Unallocated financial assets at fair value through other comprehensive income					479
					<u>124,924</u>
Consolidated total assets					<u>124,924</u>
LIABILITIES					
Segment liabilities	69,923	16,147	802,088	4,661	892,819
Unallocated other payables					6,149
Unallocated borrowings					34,400
Unallocated amount due to non-controlling interests					10,947
Unallocated convertible notes					22,271
					<u>966,613</u>
Consolidated total liabilities					<u>966,613</u>

4. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Net fair value change on financial assets at fair value through profit or loss	–	3,119
Interest income from:		
Bank interest income	13	42
Other receivable	–	925
Loss on write-off of property, plant and equipment	–	(116)
Net foreign exchange loss	(308)	(5)
Service fee income	–	947
Provision of litigation liabilities	(818)	–
Gain on disposal of subsidiaries (<i>Note 17</i>)	196	–
Sundry income	112	121
	<u>(805)</u>	<u>5,033</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Effective interest on convertible notes	9,106	8,445
Interest on lease liabilities	1	11
Interest on bank loans	1,954	2,003
Interest on other loans	8,455	9,118
	<u>19,516</u>	<u>19,577</u>

6. IMPAIRMENT LOSSES, NET OF REVERSAL

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Impairment loss (reversal of impairment loss) recognised on:		
– Trade and other receivables	–	(5,136)
– Loans and interest receivables	–	34,930
– Other deposits	–	7
– Amounts due from associates	–	631
	<hr/>	<hr/>
	–	30,432
	<hr/> <hr/>	<hr/> <hr/>

The basis of determining the inputs, assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Current tax:		
PRC Enterprise Income Tax	–	–
Under provision in prior periods:		
PRC Enterprise Income Tax	–	–
Deferred tax:		
Current period	–	–
	<hr/>	<hr/>
	–	–
	<hr/> <hr/>	<hr/> <hr/>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the six months ended 30 June 2024 and 2025. No provision for Hong Kong Profits Tax has been made as its subsidiaries of the Company in Hong Kong incurred tax loss for the six months ended 30 June 2024 and 2025

PRC Enterprise Income Tax (“EIT”) is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiaries of the Company with certain tax concession, based on existing legislation, interpretation and practice in respect thereof.

Under the Law of the PRC on Enterprises Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group's PRC subsidiaries is 25% for both the six months ended 30 June 2024 and 2025.

8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Depreciation of property, plant and equipment	3,410	3,866
Depreciation of right-of-use assets	340	343
Legal and professional fee	1,788	226
Staff costs (including directors' emoluments)	<u>11,226</u>	<u>11,773</u>

9. DIVIDENDS

No dividend was paid, declared or proposed during the current interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share for the period attributable to owners of the Company	<u>(26,045)</u>	<u>(31,203)</u>
	<i>'000</i>	<i>'000</i>
Number of shares		
Number of ordinary shares	<u>7,775,857</u>	<u>7,775,857</u>

The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company, and the number of approximately 7,775,857,000 ordinary shares (six months ended 30 June 2024: 7,775,857,000 ordinary shares) in issue during the period.

Diluted loss per share for the six months period ended 30 June 2025 and 2024 did not assume the exercise of the outstanding share options since the exercise price of those share options was higher than the average market price of the shares in both periods. No adjustment was made in calculating diluted loss per share for the six months period ended 30 June 2025 and 2024 as conversion of convertible notes would result in a decrease in loss per share. Accordingly, the diluted loss per share is same as the basic loss per share.

11. TRADE AND OTHER RECEIVABLES

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Trade receivables arising from:		
Loan referral and consultancy services (<i>Note a</i>)	25	24
Financial guarantee services (<i>Note b</i>)	15,389	14,963
Insurance brokerage commission (<i>Note c</i>)	–	85
Asset management fee (<i>Note d</i>)	11	5
Flavours trading (<i>Note e</i>)	2,709	–
	<hr/> 18,134	<hr/> 15,077
Less: Impairment allowance	(14,267)	(13,872)
	<hr/> 3,867	<hr/> 1,205
Other receivables (<i>Note f</i>)	148,339	141,492
Less: Impairment allowance	(131,916)	(127,245)
	<hr/> 16,423	<hr/> 14,247
Total trade and other receivables	<hr/> 20,290	<hr/> 15,452

Notes:

- (a) The normal settlement terms of trade receivables from loan referral and consultancy services are within 30 days upon the contractual obligation being performed.
- (b) The normal settlement terms of trade receivables from financial guarantee services are mainly within 60 to 90 days upon the contractual obligation being performed.
- (c) The normal settlement terms of trade receivables from product issuers arising from the provision of insurance brokerage commission are mainly within 45 to 60 days upon execution of the insurance policies and/or receipt of statements from product issuers.
- (d) Credit terms with customers of asset management fee are within 30 days or a credit period mutually agreed between the contracting parties.
- (e) The normal settlement terms of trade receivables from trading of flavours are 180 days upon the contractual obligation being performed.
- (f) Included in other receivables were default payment receivables of HK\$120,365,000 (31 December 2024: HK\$116,015,000) in relation to loan financing operations.

An ageing analysis of trade receivables net of impairment allowance as at the end of the reporting period, based on the invoice dates, is as follows:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
0 – 30 days	2,720	86
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	<u>1,147</u>	<u>1,119</u>
	<u>3,867</u>	<u>1,205</u>

The movements in impairment allowance on trade receivables are as follows:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Balance at beginning of the period/year	13,872	29,728
Amounts recognised during the period/year	–	1,403
Amounts written-off during the period/year	–	(16,284)
Exchange realignment	<u>395</u>	<u>(975)</u>
Balance at end of the period/year	<u>14,267</u>	<u>13,872</u>

The movements in impairment allowance on other receivables are as follows:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Balance at beginning of the period/year	127,245	191,916
Amounts derecognised during the year	–	(92,720)
Amounts recognised during the period/year	–	33,167
Amounts reversed during the period/year	–	(1,515)
Exchange realignment	4,671	(3,603)
	<hr/>	<hr/>
Balance at end of the period/year	131,916	127,245
	<hr/> <hr/>	<hr/> <hr/>

12. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 HK\$'000 (audited)
Trade payables from:		
Insurance brokerage service (<i>Note a</i>)	–	501
Loan referral service (<i>Note b</i>)	16,736	17,416
Flavours trading	18,754	–
	<hr/>	<hr/>
Total trade payables	35,490	17,917
	<hr/>	<hr/>
Accrued expenses	11,922	10,339
Interest payables	47,765	36,619
Deposits received (<i>Note c</i>)	27,507	26,766
Other payables	31,582	30,898
	<hr/>	<hr/>
Total other payables, deposits received and accruals	118,776	104,622
	<hr/>	<hr/>
Total trade payables, other payables, deposits received and accruals	154,266	122,539
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Trade payables arising from provision of insurance brokerage service are generally settled within 30 to 120 days upon receipt of payments from product issuers.

An ageing analysis of trade payables from insurance brokerage service at the end of reporting period, is as follows:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
0 – 30 days	–	333
31 – 60 days	–	30
61 – 90 days	–	5
Over 90 days	–	133
	<u>–</u>	<u>501</u>

- (b) Trade payables arising from loan referral service are generally settled within 5 days upon receipt of invoice.

An ageing analysis of trade payables for loan referral service at the end of the reporting period is as follows:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Over 90 days	<u>16,736</u>	<u>17,416</u>

- (c) Included in deposits received was an amount of HK\$21,621,000 (31 December 2024: HK\$21,022,000) which was received from customers or third parties as collateral securities for the financial guarantees issued by the Group. These deposits will be refunded to customers or third parties upon expiry of the corresponding guarantee contracts. According to the contracts, these deposits are expected to be settled within one year.

13. LIABILITIES FROM FINANCIAL GUARANTEES

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Deferred income	7	7
Provision for guarantee losses	<u>518,561</u>	<u>504,003</u>
	<u>518,568</u>	<u>504,010</u>

Movement analysis of provision for guarantee losses:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Balance at beginning of the period/year	504,003	437,861
Amount recognised during the period/year	208	80,507
Exchange realignment	<u>14,350</u>	<u>(14,365)</u>
Balance at end of the period/year	<u>518,561</u>	<u>504,003</u>

14. SHARE CAPITAL

	Number of shares <i>'000</i>	Nominal amount <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.001 each At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	<u>2,109,890,000</u>	<u>2,109,890</u>
Preference shares of HK\$0.001 each At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	<u>110,000</u>	<u>110</u>
Issued and fully paid:		
Ordinary shares of HK\$0.001 each At 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	<u>7,775,857</u>	<u>7,776</u>

15. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure general banking facilities granted to the Group:

	30.6.2025 HK\$'000 (unaudited)	31.12.2024 <i>HK\$'000</i> (audited)
Property, plant and equipment	38,348	40,650
Right-of-use assets – leasehold lands in the PRC	17,638	17,486
Bank deposit	5,473	5,321
	<hr/> 61,459 <hr/>	<hr/> 63,457 <hr/>

16. ACQUISITION OF SUBSIDIARIES

On 6 June 2025, a wholly-owned subsidiary of the Company completed the acquisition of FortuneYi Investment Limited and its subsidiaries (the “FortuneYi Group”). FortuneYi Group is principally engaged in manufacturing and trading of tobacco flavours, natural flavours and semi-finished flavours in the PRC. The acquisition has been accounted for as acquisition of business using the acquisition method.

Pursuant to the sale and purchase agreement dated 25 April 2025, the Purchaser agreed to acquire its 100% equity interest in FortuneYi Group at a consideration of HK\$1 with Ge Lijun, the spouse of the controlling shareholder.

	<i>HK\$'000</i>
Consideration satisfied by:	
Cash and cash equivalents	<hr/> <u>1</u>

Assets acquired and liabilities recognised at the acquisition date (determined on a provisional basis):

	<i>HK\$'000</i>
Property, plant and equipment	1,149
Inventories	14,961
Trade and other receivables	4,234
Prepayment and deposit	1,031
Cash and cash equivalents	220
Trade payables, other payables and accruals	(18,549)
Borrowings	(5,937)
Tax payables	(342)
	<hr/>
Net liabilities	(3,233) <hr/>

Goodwill arising from the acquisition (determined on a provisional basis):

Consideration transferred	1
Add: recognised amounts of net liabilities acquired	3,233
	<hr/>
Goodwill arising from the acquisition (determined on a provisional basis)	3,234 <hr/>

17. DISPOSAL OF SUBSIDIARIES

On 11 June 2025, Summit Yield Developments Limited, a direct wholly-owned subsidiary of the Company, entered into a sales and purchases agreement with an independent third party, pursuant to which, Summit Yield Developments Limited agreed to dispose of its 100% equity interest in Sunny Creation Asia Pacific Limited, and its subsidiary, Greater China Wealth & Risk Management Limited, which was principally engaged in the insurance brokerage business in Hong Kong, at a consideration of HK\$200,000. The disposal was completed on 11 June 2025.

The respective amounts of assets and liabilities of the subsidiaries disposed of on the relevant dates of disposal were as follows:

Analysis of assets and liabilities over which control was lost:

	<i>HK\$'000</i>
Account receivables	34
Prepayment and deposit	102
Account payables	(33)
Accruals	(99)
	<hr/>
Net assets disposed of	4
	<hr/>
Gain on disposal of a subsidiary:	
Consideration received and receivable	200
Net assets disposed of	(4)
	<hr/>
Gain on disposal	196
	<hr/>
Net cash inflow arising on disposal:	
Cash consideration received	200
	<hr/> <hr/>

18. CONTINGENT ASSETS AND LIABILITIES

The Group had no significant contingent assets or liabilities as at 30 June 2025 and 31 December 2024.

19. EVENTS AFTER THE REPORTING PERIOD

A) Disposal of and incident on the loan financing business in Beijing

During the year ended 31 December 2024 and up to the date of this announcement, despite that the Directors had been actively communicated with the Responsible Persons to resolve the Disputes, or even engaged the PRC legal advisor to take legal actions in September 2025 and February 2026, the Responsible Persons did not provide any Books and Records of the Subject Subsidiaries for the loan financing business in Beijing. There was no response from the Responsible Persons nor any of the employees has been received. Further details are set out in the Company's announcement dated 12 January 2026.

On 27 February 2026, the Company entered into a sales and purchases agreement with an independent third party of the Group, pursuant to which, the Company agreed to dispose its 100% equity interest in Harmonic Edge Limited, a directly wholly-owned subsidiary of the Company, including 100% equity interest in these Subject Subsidiaries, which was principally engaged in loan financing business in Beijing, at a consideration of HK\$1.

Upon completion of the disposal, the Company will cease to hold any interests in the Subject Subsidiaries, and the Subject Subsidiaries will no longer be consolidated into the consolidated financial statement of the Company.

B) Potential litigation

In December 2024, there were several judgements issued by the court in PRC related to a guarantee provided by an indirect wholly-owned subsidiary for external obligations concluded that the subsidiary fulfilled its guarantee obligations and was required to settle an amount equivalent to approximately HK\$776,000. During the period, additional provision for financial guarantees of HK\$208,000 was recognised and the Group had recognised the provision for guarantee obligations in full in relation to guarantees issued. Up to the date of this announcement, the amount has not been settled.

In November and December 2024, there were several judgements issued by the court in PRC related an indirect wholly-owned subsidiary for the settlement of operating expenses and concluded that the subsidiary was required to settle the payables of equivalent to approximately HK\$6,630,000. During the period, additional provision of litigation liabilities of HK\$818,000 were recognised in other income, gains and losses and the Group had recognised the amount in full in other payables of this announcement. Up to the date of this announcement, the amount has not been settled.

C) Potential litigation of one of the financial guarantee projects

In November 2025, an indirect wholly-owned subsidiary, Wangxin Xin Yunlian Financial Information Service (Zhejiang) Company Limited, received a legal letter claiming that the subsidiaries failed to fulfill guarantee obligations as at 31 December 2024, in an aggregate amount of RMB31.6 million. The Group had recognised a provision for guarantee obligations amounting to RMB31.6 million in relation to guarantees issued by subsidiaries for external obligations. The directors of the Company consider the ultimate outcome and timing of any settlement remain uncertain and could be material to future periods.

D) Disposal of subsidiaries

On 23 December 2025, Rocket Wealth Investments Limited, a direct wholly-owned subsidiary of the Company, entered into a sales and purchases agreement with a director of Ulmus Creek Holdings Limited and Spruce Light Asset Management Company Limited and two independent third parties. Pursuant to the agreement, Rocket Wealth Investments Limited agreed to dispose of its 100% equity interest in Ulmus Creek Holdings Limited, and its subsidiary, Spruce Light Asset Management Company Limited, which was principally engaged in asset management business in Hong Kong, at a consideration of HK\$550,000. The disposal was completed on 29 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group is principally engaged in investment holding, industrial property development, manufacturing and trading of flavours and fragrances, tobacco flavours and relevant supplementary materials, general trading of consumable goods, insurance brokerage and asset management business. The segment revenue and results of the Group for the Period, together with the comparative figures for the corresponding period in 2024, are stated in the table below:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Segment Revenue from:		
Industrial property development	7,543	6,476
General trading	–	–
Tobacco flavor	–	–
Loan financing	–	160
Others	2,625	2,163
	<u>10,168</u>	<u>8,799</u>
Segment (loss) profit from:		
Industrial property development	818	(2,381)
General trading	(382)	(412)
Tobacco flavor	(322)	–
Loan financing	(9,611)	(45,124)
Others	(1,050)	(2,197)
	<u>(10,547)</u>	<u>(50,114)</u>

Industrial Property Development

Revenue from the segment mainly represents warehouse storage income generated from warehouse operation. The Group's warehouse is located in Taicang, Jiangsu Province, the People's Republic of China (the "PRC"). It is divided into six units and the total area is approximately 49,000 square meters. Revenue from the warehouse operation recorded an increase of approximately HK\$1,067,000 to approximately HK\$7,543,000 for the Period (30 June 2024: approximately HK\$6,476,000) which is attributable principally to the absence of a prior-period renewal discount. The segment profit was approximately HK\$818,000 (30 June 2024: segment loss of approximately HK\$2,381,000), primarily reflecting the absence of a major warehouse repair expense incurred in the prior period. The average occupancy rate of the Group's warehouse during the Period was 100% and was primarily used as storage of small electric and non-electric power tools and space parts.

The Group's warehouse operations achieved an exceptional occupancy rate during the Period, driven by the strategic location of its facilities and strong, long-term customer relationships. Management expects to sustain this high level of utilization and is targeting full occupancy in 2025.

General Trading

The segment loss for the Period was approximately HK\$382,000 (30 June 2024: approximately HK\$412,000).

The business remained suspended owing to the slow recovery of the PRC liquor market. Throughout the Period, the Company continued to monitor market trends closely and assess potential trading opportunities, positioning itself to recommence operations once funding is secured and market conditions improve. Management remains focused on prudent cost control and will capitalise on profitable liquor-trading prospects when favourable dynamics return.

Tobacco Flavor

The Group has leveraged on its existing network and connection in the tobacco industry to secure and explore revenue diversification opportunity in an upstream tobacco-related business. On 25 April 2025, the Group entered into a sale and purchase agreement to acquire 100% of the equity interest in FortuneYi Investment Limited (the "Target Company"), whose principal business activities (through its subsidiaries) include the production and sales of flavours and fragrances, tobacco flavours and supplementary materials in the PRC at a consideration of HK\$1 (the "Acquisition").

The Target Company operates through a wholly foreign-owned enterprise in Ningbo, which has established production facilities with an estimated annual capacity of 2,500 tonnes and engages in the manufacturing and sales of tobacco flavours and related products. The Target Company's indirect wholly-owned subsidiary in the PRC commenced operations in mid-2024 and has secured procurement contracts and sales orders from PRC tobacco manufacturers.

The Acquisition was completed on 6 June 2025. Following completion of the Acquisition, the Target Company became an indirect wholly-owned subsidiary of the Company, and its financial results have been consolidated into the Group's financial statements from that date.

Loan financing

No revenue was generated from the segment for the Period (30 June 2024: approximately HK\$160,000), while the segment recorded a loss of approximately HK\$9,611,000 (30 June 2024: approximately HK\$45,124,000). The loan financing business in Beijing and Ningbo has completely stopped since 2024. The Group entered into a disposal agreement with an independent third party to dispose the loan financing business in Beijing on 27 February 2026, in order to carve out the loss-making and highly indebted subsidiaries. The Group is finalising the disposal of its Ningbo loan financing business, which is expected to complete in 2026; this transaction will likewise remove the majority of the Group's loss-making and highly indebted subsidiaries and materially strengthen the Group's balance sheet and liquidity position.

Others

Others segment represents the operation of provision of asset management services, provision of insurance brokerage and agency service in Hong Kong and advertising service in the PRC. Revenue from the segment for the Period was approximately HK\$2,625,000 (30 June 2024: approximately HK\$2,163,000), resulting in a segment loss of approximately HK\$1,050,000 (30 June 2024: approximately HK\$2,197,000).

During the Period, the Group completed the disposal of its insurance brokerage and agency business in Hong Kong. In addition, the Group subsequently entered into an agreement to dispose of its asset management business in December 2025. Further details of the latter transaction, which occurred after the reporting period, are set out in the section “Significant Events After the Reporting Period.”

Moving forward, the Group will rigorously implement stringent cost control measures to ensure the maximization of return on assets within the others segment.

FINANCIAL REVIEW

Administrative and Other Operating Expenses

Administrative expenses include office utilities and administration, legal and professional fee, employee expenses, depreciation of right-of-use assets and property, plant and equipment and amortisation. Other operating expenses mainly consist of operating expenses of industrial property development business. Administrative and other operating expenses amounted to approximately HK\$20,238,000 during the Period, representing a decrease of approximately 16.1% or HK\$3,892,000 as compared to the six months ended 30 June 2024, due to The Group’s ongoing optimization and streamlining initiatives, including the suspension of the loan-financing operation, have produced a continued decline in administrative and other operating expenses. Management will sustain targeted, measured cost controls to preserve a lean cost base while protecting core capabilities and service levels. These measures are expected to deliver recurring savings and improve operating efficiency over successive reporting periods.

Finance Costs

The finance costs of the Group for the Period mainly consisted of effective interest expenses on convertible notes issued for the acquisition of the Xin Yunlian Group in 2020 and loan interest on bank and others loans. Finance costs slightly decreased from approximately HK\$19,577,000 for the six months ended 30 June 2024 to approximately HK\$19,516,000 for the Period, representing a decrease of approximately 0.3% or HK\$61,000.

Liquidity and Financial Resources

The Group continued to adopt the policy of prudence in managing its working capital. During the Period, the operations of the Group were primarily financed by internally generated cash flow from operating activities and external financing. As at 30 June 2025, the shareholder's deficit attributable to owners of the Company amounted to approximately HK\$778,616,000 (31 December 2024: approximately HK\$734,361,000), and net current liabilities of the Group amounted to approximately HK\$893,522,000 (31 December 2024: approximately HK\$837,634,000). As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately HK\$21,174,000 (31 December 2024: approximately HK\$30,072,000), which were principally denominated in Hong Kong dollars and Renminbi. Current ratio as at 30 June 2025 was 0.08 (31 December 2024: 0.07).

As at 30 June 2025, the Group's total borrowings amounted to approximately HK\$296,907,000 (31 December 2024: approximately HK\$285,458,000) of which approximately HK\$234,520,000 were repayable within 1 year, approximately HK\$7,662,000 were repayable between 1 to 2 years, approximately HK\$54,725,000 were repayable between 2 to 5 years. As at 30 June 2025, the Group's borrowings denominated in Hong Kong dollars and Renminbi were approximately HK\$35,400,000 and HK\$261,507,000, respectively, and bear fixed interest rates from 3.65% to 12.00%. The gearing ratio of the Group as at 30 June 2024 and 31 December 2023 (defined as total borrowings over the Group's total equity) is not applicable due to capital deficiency of the Group.

There was no capital commitment in respect of the acquisition and construction of property, plant and equipment as at 30 June 2025 (31 December 2024: nil).

The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are mainly in Hong Kong dollars and Renminbi. Therefore, the Group did not use any financial instruments for hedging purposes during the Period.

Group's Investments

The Group's investment portfolio is classified as financial assets at fair value through other comprehensive income ("FVTOCI") according to HKFRS 9, the relevant carrying amounts of the financial assets at FVTOCI as at 30 June 2025 were approximately HK\$883,000 (31 December 2024: approximately HK\$479,000). The Group's investment portfolio includes listed equity in Hong Kong.

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2025 (31 December 2024: nil) other than the financial guarantees issued as disclosed below.

Guarantee Issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. As at 30 June 2025, the liabilities from financial guarantees of the Group was approximately HK\$518,561,000 (31 December 2024: HK\$504,003,000).

Capital Structure

As at 30 June 2025, the total number of issued ordinary shares of the Company with a par value of HK\$0.001 each (the “Share(s)”) was 7,775,857,621 (31 December 2024: 7,775,857,621).

Charges on Assets

The Group’s warehouse located in Taicang, the PRC with the following carrying amount and the bank deposit had been pledged to secure general banking facilities granted to the Group:

	30.6.2025	31.12.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	38,348	40,650
Right-of-use assets	17,638	17,486
Bank deposit	5,473	5,321
	<u>61,459</u>	<u>63,457</u>

Save for the above, the Group did not charge other assets to secure its borrowings as at 30 June 2025 and 31 December 2024.

Foreign Currency Exposure

As confirmed by the directors of the Company (the “Directors”), the Group’s present operations are mainly carried out in the PRC and Hong Kong, and all of the Group’s receipts and payments in relation to the operations are denominated in Renminbi or Hong Kong dollars. The Group does not anticipate any material foreign exchange exposure and therefore no derivative financial instruments were used to hedge its foreign currency risks as at 30 June 2025 and 31 December 2024. The management will continue to monitor its foreign exchange exposure and take appropriate measures if needed.

Significant Investments, Material Acquisitions and Disposals

The Group did not hold any significant investments as at 30 June 2025 and 31 December 2024. However, On 25 April 2025, Elite Sonic Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ms. Ge Lijun, the spouse of Mr. Liu Kequan, the chairman, an executive Director and the substantial shareholder of the Company. Pursuant to the agreement, Elite Sonic Limited agreed to acquire 100% of the equity interest in FortuneYi Investment Limited at a consideration of HK\$1. FortuneYi Investment Limited and its subsidiaries are engaged in the production and sale of flavours and fragrances, tobacco flavours and supplementary materials in the PRC. The acquisition was completed on 6 June 2025.

Future Plans for Material Investments or Capital Assets

As at 30 June 2025 the Group did not have immediate plans for material investments or capital assets acquisition.

Employees and Remuneration Policies

As at 30 June 2025, the Group had 61 employees (31 December 2024: 67 employees). Remuneration is determined by reference to their respective qualifications and experiences and according to the prevailing industry practice. In addition to salary payments, the Group’s staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme. As required by the regulations in the PRC, the Group makes contributions to mandatory social security funds for the benefit of the Group’s employees in the PRC, including pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 23 December 2025, Rocket Wealth Investments Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a director of Ulmus Creek Holdings Limited and Spruce Light Asset Management Company Limited and two independent third parties. Pursuant to the agreement, Rocket Wealth Investments Limited agreed to dispose of its 100% equity interest in Ulmus Creek Holdings Limited, and its subsidiary, Spruce Light Asset Management Company Limited, which was principally engaged in the asset management business in Hong Kong, at a consideration of HK\$550,000. The disposal was completed on 29 December 2025.

On 27 February 2026, the Group entered into a disposal agreement with an independent third party to dispose the loan financing business in Beijing (the “Disposal Group”) with a consideration of HK\$1. The Disposal Group was adversely affected by the economy and operating environment in the PRC in the past few years. The Group has recorded loss since 2019. Disposal of the loss-making, highly indebted Disposal Group eliminated the Group’s ongoing support obligations and removed a non-income-generating unit from the consolidated balance sheet. This action reduced credit exposure and curtailed potential future losses arising from loan defaults. As a result, the Group preserved capital and liquidity and strengthened the balance sheet, allowing management to focus on recovering outstanding receivables and core operations.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the Period (30 June 2024: nil).

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

During the Period, there was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the code provisions (the “Code Provision(s)”) as set out in the Corporate Governance Code (the “CG Code”) contained in Part 2 of Appendix C1 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as amended from time to time, except the following Code Provision.

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The role of chief executive officer of the Company has been shared among the members of the Board since 18 June 2024. The Board shall review this arrangement from time to time to ensure appropriate and timely action is taken to meet changing circumstances.

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 to the Listing Rules as the Company’s code of conduct regarding securities transactions by the Directors. Having made specific enquiry, all Directors have confirmed that they have complied with the Model Code throughout the Period.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) with written terms of reference in compliance with the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, including Mr. Kwan Kei Chor (chairman of the Audit Committee), Dr. Lyu Ziang and Mr. Zhou Liangyu.

The Audit Committee has discussed with the management of the Company and the external auditors, Confucius International CPA Limited, in respect of the Group’s interim condensed consolidated financial statements for the Period. The unaudited interim results of the Group for the Period have not been audited but have been reviewed by the Audit Committee. The Audit Committee is of the view that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made, and recommended the Board to adopt the same.

The unaudited interim results of the Group for the Period were prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our staff for their dedication, loyalty and integrity towards the Group. I would also like to express my gratitude to our shareholders, customers and other business partners and professional consultants for their support to the Group.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 September 2024 and will remain suspended until further notice.

Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

By order of the Board of
Greater China Financial Holdings Limited
Liu Kequan
Chairman

Hong Kong, 27 February 2026

As at the date of this announcement, the Board comprises Mr. Liu Kequan, Mr. Chen Zheng and Ms. Luo Ruishan as executive Directors; and Mr. Kwan Kei Chor, Dr. Lyu Ziang and Mr. Zhou Liangyu as independent non-executive Directors.