

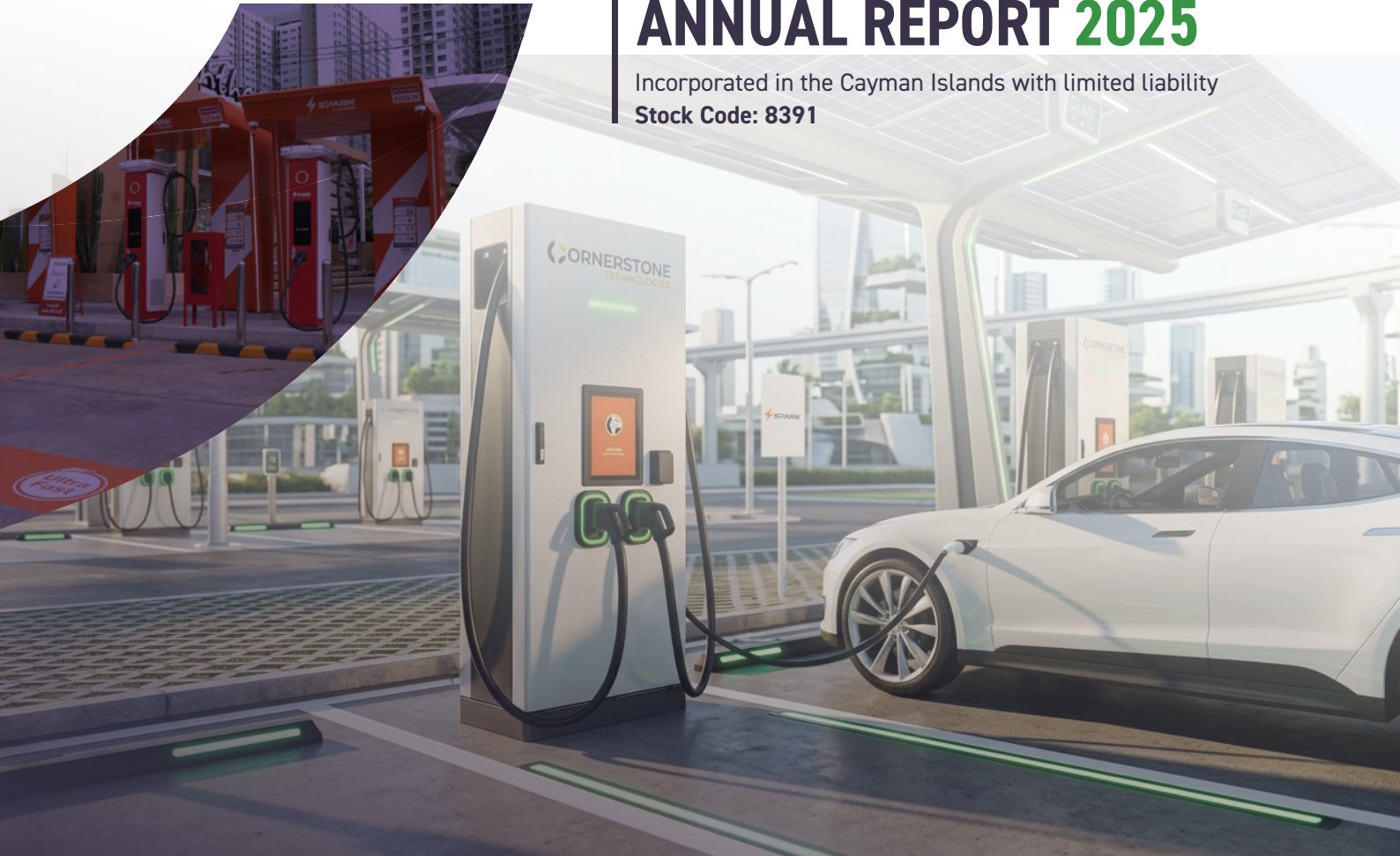


# TO GIVE POSITIVE ENVIRONMENTAL IMPACT



## ANNUAL REPORT 2025

Incorporated in the Cayman Islands with limited liability  
Stock Code: 8391



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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Cornerstone Technologies Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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# Corporate Information

## EXECUTIVE DIRECTORS

Mr. Liang Zihao (*Co-Chairman*)  
Mr. Wu Jianwei (*Co-Chairman*)  
Mr. Li Man Keung Edwin (*Vice Chairman*)  
Mr. Yip Shiu Hong (*Chief Executive Officer*)  
Mr. Ho Karl (*Chief Financial Officer*)  
Mr. Pan Wenyuan  
Ms. Wu Yanyan

## NON-EXECUTIVE DIRECTOR

Mr. Koh Herbin Puay Teck

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Ip Ka Lai  
Mr. Li Michael Hankin (*Note 1*)  
Ms. So Sze Wan Lisa  
Mr. Tam Ka Hei Raymond  
Ms. Yeung Pik Wah (*Note 2*)

## COMPLIANCE OFFICER

Mr. Liang Zihao

## AUTHORISED REPRESENTATIVES

Mr. Liang Zihao  
Mr. Chu Pui Ki Dickson

## AUDIT COMMITTEE

Mr. Li Michael Hankin (*Chairman*) (*Note 1*)  
Ms. Ip Ka Lai  
Ms. So Sze Wan Lisa  
Mr. Tam Ka Hei Raymond  
Ms. Yeung Pik Wah (*Note 2*)

*Note 1:* Appointed on 27 February 2025

*Note 2:* Resigned on 27 February 2025

## REMUNERATION COMMITTEE

Ms. Ip Ka Lai (*Chairlady*)  
Mr. Liang Zihao  
Mr. Wu Jianwei  
Mr. Li Michael Hankin (*Note 1*)  
Ms. So Sze Wan Lisa  
Mr. Tam Ka Hei Raymond  
Ms. Yeung Pik Wah (*Note 2*)

## NOMINATION COMMITTEE

Mr. Tam Ka Hei Raymond (*Chairman*)  
Mr. Liang Zihao  
Mr. Wu Jianwei  
Ms. Ip Ka Lai  
Mr. Li Michael Hankin (*Note 1*)  
Ms. So Sze Wan Lisa  
Ms. Yeung Pik Wah (*Note 2*)

## COMPANY SECRETARY

Mr. Chu Pui Ki Dickson (*CPA*)

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office Units 1107 - 11  
11th Floor, New East Ocean Centre  
No. 9 Science Museum Road  
Kowloon, Hong Kong

## REGISTERED OFFICE

P.O. Box 2681  
Cricket Square  
Hutchins Drive  
George Town  
Grand Cayman  
KY1-1111  
Cayman Islands

# Corporate Information

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT**

Conyers Trust Company (Cayman) Limited  
P.O. Box 2681  
Cricket Square  
Hutchins Drive  
George Town  
Grand Cayman  
KY1-1111  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

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

## **AUDITOR**

D & PARTNERS CPA LIMITED  
*Certified Public Accountant*  
2201, 22/F., West Exchange Tower  
322 Des Voeux Road Central  
Sheung Wan  
Hong Kong





## **STOCK CODE**

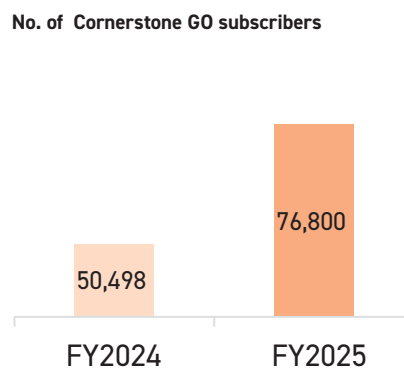
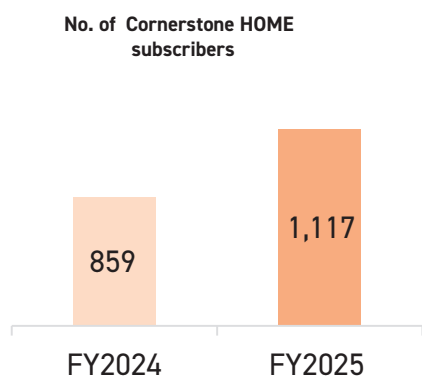
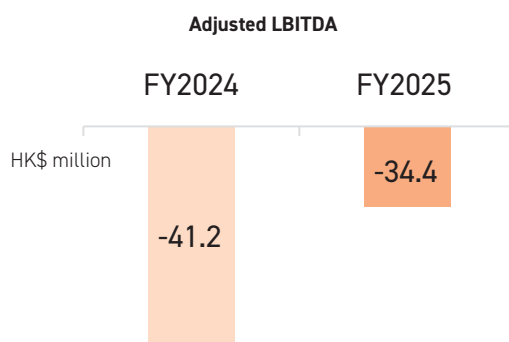
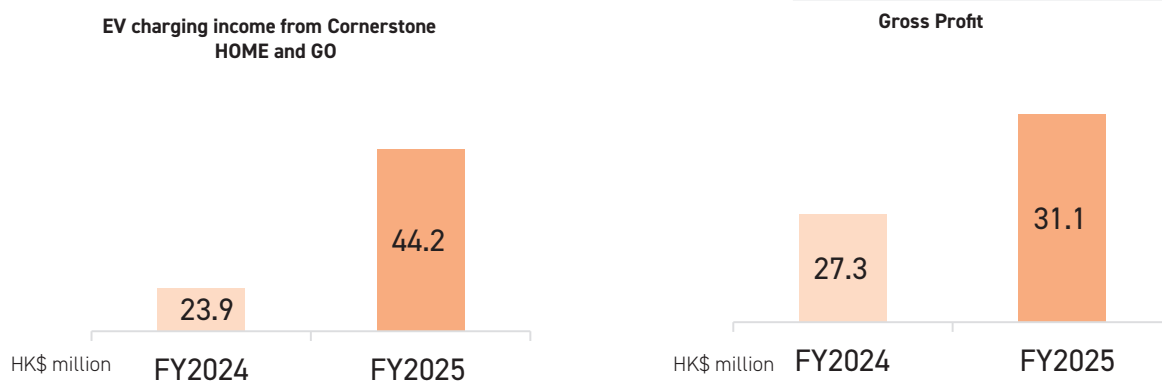
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## **WEBSITE**

[www.cstl.com.hk](http://www.cstl.com.hk)

# 2025 Highlights

- EV charging income from Cornerstone HOME and GO **increased by 85.3%** from HK\$23.9 million to **HK\$44.2 million**.
- Gross profit **increased by 13.9%** from HK\$27.3 million to **HK\$31.1 million**.
- Adjusted LBITDA further narrowed **by 16.6%** from HK\$41.2 million to **HK\$34.4 million**.
- Total number of  |  subscribers **increased by 30.0%**.
- Total number of  |  users **increased by 52.1%**.



# Chairman's Statement

## OVERVIEW

On behalf of the Board of Directors (the “**Board**”) of Cornerstone Technologies Holdings Limited (the “**Company**” or “**Cornerstone**”, together with its subsidiaries, the “**Group**”), I am pleased to present the annual report of the Company for the year ended 31 December 2025.

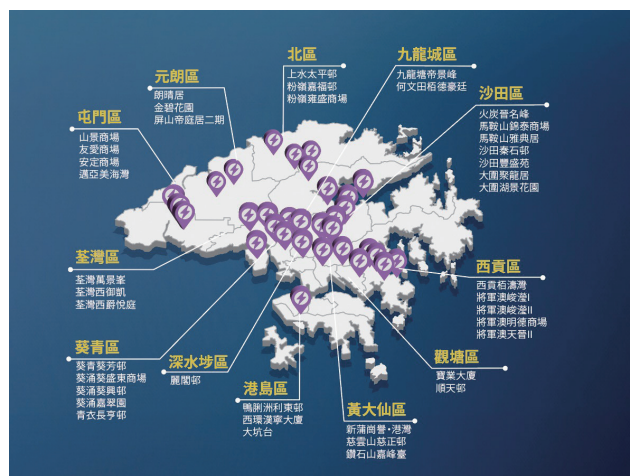
The year 2025 represented a pivotal chapter in Cornerstone’s development. As the global transition toward electric mobility continued to accelerate, the industry entered a phase characterised by scale, operational discipline and a sharper focus on sustainable economics. Against this backdrop, the Group remained firmly committed to executing its long-term strategy – strengthening market leadership in Hong Kong, improving the quality and resilience of our revenue base, and advancing our international expansion in a disciplined and capital-efficient manner. During the year, we delivered meaningful operational progress, enhanced profitability metrics and further reinforced the foundations for sustainable long-term growth.

## MARKET LEADERSHIP IN HONG KONG

In Hong Kong, our core market, Cornerstone continued to demonstrate clear leadership across both public and residential charging segments. The industry reached a significant turning point in 2025, with electric vehicles (“**EV(s)**”) capturing over 65% of new private car registrations. This surge was characterized by an unprecedented variety of new brands entering the city, significantly broadening consumer choice.



We have strategically to expand our charging network to capture this opportunity. Cornerstone GO further expanded its footprint to over 120 strategically located parking facilities with over 1,900 charging spots, maintaining our position as the largest and most widely utilised public EV charging network in the city. Membership grew to more than 76,800 users by year-end, supported by the reliability of our network, broad geographic coverage and deep partnerships with leading property owners, fleet operators and automotive brands. Our collaboration with vehicle manufacturers, including the integration of charging platform and the provision of bundled charging credits with new EV purchases, continued to gain traction and further strengthened our role within the EV ecosystem.



Furthermore, our strategic collaborations with top-tier automotive brands such as BYD, Xpeng and Aion have allowed us to embed our services into the vehicle purchase journey.

At the same time, Cornerstone HOME delivered another year of strong growth. Subscriber numbers increased to 1,117, with coverage extended to 51 residential car parks across Hong Kong. Demand for private residential charging solutions remains robust, driven by the city's high EV penetration and the practical challenges associated with charger installation in shared parking environments. Our proprietary load management technology continues to differentiate our offering, enabling efficient power allocation, scalable deployment and grid stability. As a result, Cornerstone has firmly established itself as the leading home charging service provider in Hong Kong.

### **EXPANSION INTO COMMERCIAL VEHICLE CHARGING**

The Group is actively supporting the Hong Kong Government's roadmap for zero vehicular emissions. We are prioritizing the electrification of commercial fleets – including taxis, trucks, and minibuses – a sector poised for rapid growth through government subsidies aimed at deploying 3,000 e-taxis and 600 e-buses.

To drive this transition, Cornerstone has deepened strategic collaborations with the few taxi association in Hong Kong and logistics leaders to implement dedicated charging infrastructure.

### **IMPROVING REVENUE QUALITY AND BUSINESS FUNDAMENTALS**

From a financial perspective, 2025 marked an important inflection point in the quality of our revenue. Total revenue declined year-on-year primarily due to a deliberate strategic decision to scale back installation services, which are labour-intensive and lower margin in nature. This was a conscious pivot aligned with our long-term objective of building a business anchored in recurring, high-margin operational income.

Encouragingly, electric vehicle charging income recorded strong growth during the year, recurring revenue accounted for a significantly higher proportion of total revenue, and gross profit margin improved meaningfully. These outcomes clearly demonstrate the effectiveness of our strategic repositioning and the strengthening fundamentals of our core business model.

## REGIONAL EXPANSION AND THE DEVELOPMENT OF SPARK

International expansion remained a key strategic priority during the year. Following our investment in Spark EV Company Limited (“**Spark**”) in Thailand, we made substantial progress in establishing a scalable and competitive presence in Southeast Asia’s fastest-growing EV market. By the end of 2025, Spark had completed the construction of 181 charging stations, with 167 already in operation, supported by strategic partnerships with leading corporates, fleet operators and automotive brands.



While Spark continues to incur start-up and expansion-related costs as it scales its network, utilisation rates have exceeded our initial expectations, reflecting strong underlying demand and rapid EV adoption in the market. Thailand now serves as a critical platform for Cornerstone’s broader regional ambitions and provides a proven blueprint for future expansion into other high-potential markets across Asia-Pacific.

## FINANCIAL DISCIPLINE AND PATH TO PROFITABILITY

Despite ongoing investments in infrastructure and regional growth, the Group made notable progress in improving its financial performance and operating efficiency. Gross profit increased year-on-year, and adjusted LBITDA narrowed significantly, driven by improved network utilisation, enhanced monetisation and disciplined cost management. These improvements underscore the scalability of our platform and our clear pathway toward sustainable profitability as utilisation continues to rise and recurring revenue becomes increasingly dominant.

The Board remains prudent in managing liquidity and capital resources while actively engaging with financial partners to support the Group’s growth initiatives. We are confident that Cornerstone’s business model—anchored in recurring revenue, operational efficiency and scalable technology—positions the Group well for long-term value creation.

## OUTLOOK

Looking ahead, the outlook for the electric mobility sector remains highly compelling. Supportive government policies, accelerating commercial fleet electrification, and continued growth in private EV adoption are expected to drive sustained demand for reliable and intelligent charging infrastructure. Cornerstone is uniquely positioned to capitalise on these trends through a robust, multi-layered growth strategy.

## ENHANCING USER EXPERIENCE AND OPERATIONAL EFFICIENCY

As we move into the next fiscal period, we are prioritizing technological efficiency and user engagement. We are preparing to launch a comprehensive loyalty program designed to incentivize frequent charging and reward our growing community across the Cornerstone and Spark networks. This will be bolstered by a new dynamic maintenance system – an intelligent platform providing real-time diagnostics and predictive servicing. We anticipate this will lead to significantly lower maintenance costs and higher station uptime, ensuring a seamless experience for our customers.

## POWERING HONG KONG'S COMMERCIAL TRANSITION

In line with the Hong Kong Government's roadmap for zero vehicular emissions, we are prioritizing the electrification of commercial fleets, including taxis, trucks, and minibuses. With government subsidies targeting the deployment of 3,000 electric taxis and 600 electric buses, this sector is primed for rapid expansion.

To facilitate this transition, we have:

- **Deepened Strategic Collaborations:** Partnering with prominent taxi associations and logistics leaders to implement dedicated charging infrastructure.
- **Integrated Refueling Habits:** Actively building charging stations within ESSO oil and gas stations to meet drivers where they already are.

## SCALING SPARK AND REGIONAL INNOVATION

In Thailand, our associate Spark is poised for a major transition. Following the successful completion of Tranche 1, we have unlocked Tranche 2 of our Phase 2 expansion, allowing Spark to grow beyond the Bangchak network into diverse commercial and residential locations.

Furthermore, we are pushing the boundaries of technological innovation by exploring Vehicle-to-Grid (V2G) technologies in Thailand. Our goal is to transform EVs into mobile energy storage units that can actively support the national grid, enhancing energy resilience.

## STRATEGIC SOUTHEAST ASIAN EXPANSION

Our regional ambitions are taking clear shape as we look beyond Thailand. We are currently:

- Discussing with Grab in Indonesia to provide essential charging solutions for their vast electric fleet.
- Targeting Malaysia as our next key market for expansion within Southeast Asia.

Our ambition remains unchanged: to become the leading EV charging solutions provider in Asia. By delivering dependable, technology-driven, and sustainable infrastructure, Cornerstone is proud to support the global transition to green mobility.

On behalf of the Board, I would like to express my sincere appreciation to our shareholders for their continued trust and support, to our customers and partners for their collaboration, and to our management team and employees for their dedication and commitment. Together, we are building a resilient platform for long-term growth and contributing meaningfully to a cleaner and more sustainable future for transportation.

Yours sincerely,

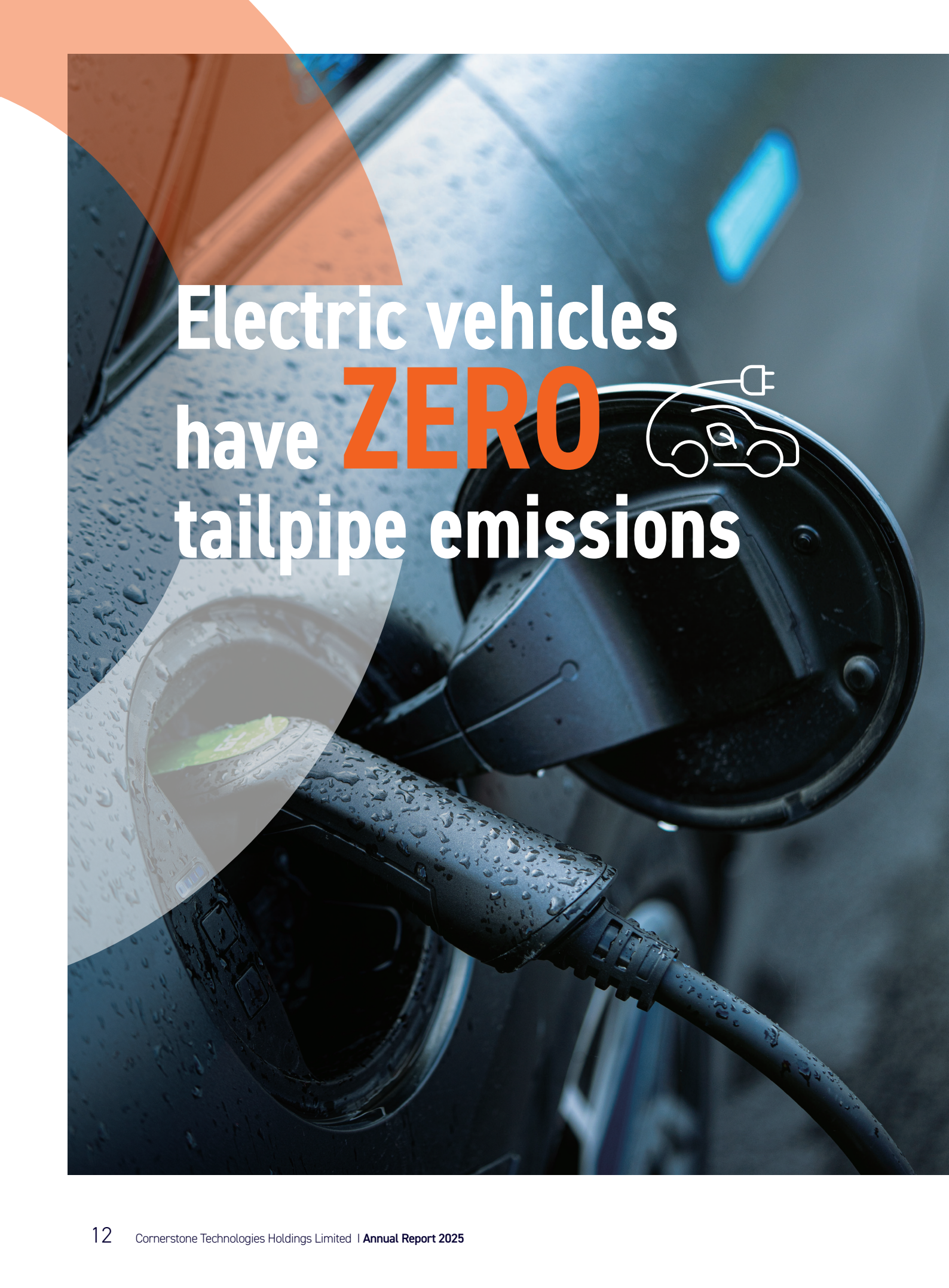
*Co-Chairman*

**Liang Zihao**

Hong Kong, 30 March 2026



# Strategic Southeast Asian expansion



Electric vehicles  
have **ZERO**  
tailpipe emissions

# Management Discussion and Analysis

## BUSINESS REVIEW

The year 2025 has been a period of significant strategic advancement and operational achievement for Cornerstone, building upon the strong momentum established in previous years. The global paradigm shift towards electric mobility is no longer a future prospect but a present-day reality, accelerating at an unprecedented pace. This transition is comprehensively supported by a confluence of factors, including robust government policies aimed at carbon reduction, significant investment and innovation from leading automakers, and a marked increase in consumer demand for sustainable and technologically advanced transportation solutions.

In this dynamic and competitive environment, Cornerstone has successfully capitalized on these trends, not only solidifying its undisputed leadership in the core Hong Kong market but also making substantial and promising strides in its international expansion strategy, most notably by establishing a strong foothold in the high-potential markets of Thailand.

A key driver of the Group's enhanced performance has been the strategic decision to focus efforts on building recurring income streams through Cornerstone Home and Cornerstone GO, while selectively pursuing trade projects that meet minimum attractive return rates. This disciplined approach has increased the overall quality of its earnings and return profile. During the year, EV-charging at Home Subsidy Scheme ("EHSS") projects were categorized as non-core business, with the remaining business segments designated as core business. For these core business segments, revenue increased by 26.9%, recurring income grew by 85.3%, and recurring income as a percentage of overall revenue rose from 15.6% to 35.3%. Our ability to leverage Hong Kong's electric vehicle ("EV") boom while scaling globally positions us at the forefront of the electric mobility revolution.

## Continued Leadership in Hong Kong

Our core operations in Hong Kong continued to demonstrate robust, multi-faceted growth across business segments throughout 2025, reinforcing our market-leading position and brand recognition. The depth and breadth of our service offerings ensure that we cater to the full spectrum of EV charging needs in the city. As of 31 December 2025, the Hong Kong market reached a significant milestone with the total number of electric vehicles reaching approximately 149,000, supported by a growing network of 16,435 public chargers. To serve this expanding fleet, we have entered into strategic collaborations with major automotive brands such as BYD, Xpeng and Aion. These partnerships focus on the charging platform integration, sale of dedicated charging credits and customized arrangements that streamline the transition to electric mobility for new car owners, ensuring that Cornerstone remains the preferred infrastructure partner for top-tier manufacturers.

### Cornerstone GO



Cornerstone GO is a public charging network designed for EV drivers in Hong Kong. Users can start and stop charging sessions directly through the app. It supports multiple payment methods, including credit cards and Octopus, eliminating the need for physical membership cards in most cases. Cornerstone GO has further solidified its position as Hong Kong's largest and most utilized public charging network, maintaining our leadership as the region's top charge point operator with the most public charging stations. In 2025, we significantly expanded our network to cover over 120 strategically located parking facilities, offering over 1,900 charging spots.

Membership growth remained robust, surpassing 76,800 users as of the year-end, driven by our platform's reliability, extensive coverage across key retail and commercial hubs, and an intuitive mobile app. Our market leadership has made us the preferred partner for major car brands, collaborating closely with original equipment manufacturers (OEMs) to supply charging credits bundled with new EV purchases. This innovative model has proven highly successful, with HK\$5.4million worth of charging credits sold in 2025. Additionally, our strategic alliances with leading property developers and preferential charging programs for partnered fleet operators continue to be key drivers of growth.



## Cornerstone HOME

Cornerstone HOME is a specialized EV charging solution designed for private residential car parks in Hong Kong. Unlike public “pay-as-you-go” stations, it focuses on providing electric vehicle owners with a dedicated, monthly subscription-based charging service at their own parking spaces. The system handles everything from the initial electrical installation and insurance to 24/7 technical support, allowing residents to charge their cars overnight without worrying about utility bill fluctuations or infrastructure maintenance. The demand for convenient, reliable, and intelligent residential charging solutions remained a primary growth driver for the Company during the Year. Our private subscription service, designed for resident buildings, saw its user base grow impressively, reaching 1,117 subscribers by 31 December 2025. This growth is a testament to the service’s value proposition, which solves the complex challenge of installing personal chargers in shared parking facilities.

We expanded our exclusive coverage to 51 residential car parks, incorporating our proprietary load management system that optimizes power distribution and ensures grid stability. This technological advantage further cements our status as the preferred and most trusted home charging provider in Hong Kong.



## Sales of EV Charging Systems

During the reporting period, Cornerstone achieved significant progress in the sales and deployment of EV charging systems. We have successfully broadened our client portfolio to include prominent stakeholders across multiple sectors, underscoring both the adaptability of our solutions and the increasing market demand for reliable EV infrastructure. Key additions to our client base include major local property developers, a leading EV manufacturer, and several luxury vehicle distributors and retailers.

These strategic partnerships have not only expanded our market reach but also reinforced Cornerstone’s reputation as a trusted and capable provider of end-to-end EV charging solutions. In parallel, we have recorded substantial growth in charging credit sales to car distributors – a key indicator of our deepening engagement within the automotive ecosystem. This momentum reflects our focused efforts to cultivate long-term, value-driven relationships.

### Thai Expansion – the Strategic Formation of Spark



In December 2024, Cornerstone achieved a major strategic milestone by becoming a substantial owner of Thailand’s Spark EV Company Limited (“Spark”). This move represents a pivotal step in the Company’s Southeast Asian expansion, allowing Cornerstone to capitalize on Thailand’s status as the region’s fastest-growing EV market. Driven by its role as a manufacturing hub for Chinese EV brands and supported by favourable government incentives, Thailand has seen a dramatic surge in both private and commercial electric vehicle adoption.

Spark distinguishes itself as the nation’s fastest and most reliable charging service provider, offering state-of-the-art infrastructure and a seamless user experience backed by 24/7 digital support. The company’s growth is further secured by critical strategic partnerships with industry leaders such as Grab, prominent logistics firms, and major automotive brands, all of which drive high utilization across its network.

By aligning Spark’s mission with the successful Cornerstone GO model in Hong Kong, the Company aims to establish one of Thailand’s largest and most accessible public charging networks. This acquisition provides Cornerstone with immediate market leadership and a powerful competitive edge, positioning the Group for continued infrastructure expansion throughout Southeast Asia.

While Thailand has shown exceptional receptivity to EV technology – reaching approximately 372,000 registrations by the end of 2025 – a significant infrastructure gap persists. With only 13,000 public chargers nationwide, Spark is aggressively expanding its network to bridge this divide and support the country’s green transition. As at 31 December 2025, Spark had completed construction of 181 charging stations, with 167 stations in operation. Membership in Spark experienced exponential growth, surging from 5,895 as at 31 December 2024 to 97,129 as at 31 December 2025. Although utilization rates for newly commissioned stations typically undergo a ramp-up period to build public awareness and membership growth, current performance has significantly exceeded our initial projections. This stronger-than-expected engagement underscores the robust demand for our infrastructure and reflects the rapid adoption of electric vehicles across our key markets.

### **Financial Performance**

For the year ended 31 December 2025, the Company’s gross profit increased by approximately HK\$3.8 million with a 7 percentage points increase in gross profit margin. This growth reflects not only our expanding user base but also improved network monetization through higher charger utilization rates and strengthened partnerships with leading EV manufacturers.

Notably, recurring revenue from electric vehicles charging income accounted for approximately 35.3% of total revenue as of 31 December 2025, demonstrating the successful execution of our strategy to build sustainable, high-quality revenue streams.

Through operational optimization and disciplined cost management—including remote diagnostics to reduce maintenance costs and automation of key back-office functions—our adjusted LBITDA narrowed from approximately HK\$41.2 million in FY2024 significantly to approximately HK\$34.4 million in FY2025. This enhanced operational leverage demonstrates our clear path toward sustainable profitability.

## OUTLOOK

Cornerstone is exceptionally well-positioned to capitalize on the accelerating global EV charging revolution. As we advance through 2026 and beyond, our strategy focuses on four key pillars to drive sustainable growth:

- 1. Recurring Revenue Growth & Strategic Partnerships:** We will aggressively expand Cornerstone HOME and Cornerstone GO to increase recurring income as a percentage of total revenue, ensuring long-term stability and predictable cash flows. Our selective approach to B2B projects will prioritize those with superior earnings quality and strategic value.
- 2. Hong Kong Market Leadership:** Building on our dominant position in this profitable core market, we will leverage government EV initiatives to expand across residential, commercial and public charging segments. Continued innovation in user experience, dynamic pricing and load management will be complemented by new value-added services.
- 3. Path to Profitability:** Through operational excellence, data-driven optimization and cost discipline, we will enhance network efficiency and utilization. Our focus remains on building a capital-efficient, high-return business model.
- 4. Launching loyalty program and dynamic maintenance system:** As we move into the next fiscal period, Cornerstone is committed to a multi-layered growth strategy that enhances user engagement and technological efficiency. We are preparing for the launching of a comprehensive loyalty program designed to incentivize frequent charging and reward our growing community of users across the Cornerstone and Spark networks. This will be supported by the launching of a comprehensive dynamic maintenance system. This intelligent platform will allow for real-time diagnostics and predictive servicing, which we anticipate will lead to much lower maintenance costs and significantly higher station uptime.
- 5. Expansion into Commercial Vehicle Charging:** The Group is actively advancing the Hong Kong Government's roadmap for zero vehicular emissions by prioritizing the electrification of commercial fleets, including taxis, trucks, and minibuses. This sector is currently positioned for rapid expansion, supported by government subsidies aimed at the deployment of 3,000 electric taxis and 600 electric buses. To facilitate this transition, Cornerstone has further deepened its strategic collaborations with prominent taxi associations and logistics leaders to implement the dedicated charging infrastructure necessary to power the city's evolving transport landscape.
- 6. ESSO Collaboration:** In terms of physical infrastructure, we are actively working on building EV charging stations within ESSO oil and gas stations in Hong Kong, a move that will further integrate our services into established refueling habits.

7. **Spark Phase 2 expansion:** In Thailand, Spark is poised for a major transition as it begins to expand outside of the Bangchak network, targeting diverse commercial and residential locations to broaden its footprint. This growth is underpinned by the successful completion of Tranche 1 for Spark, a milestone that effectively unlocks Tranche 2 of our Phase 2 expansion plan.



8. **V2G technologies:** Technological innovation remains a cornerstone of our future plans as we begin to explore Vehicle-to-Grid (V2G) technology in Thailand, aiming to turn EVs into mobile energy storage units that can support the national grid.

9. **Southeast Asian expansion:** Beyond Thailand, our regional ambitions are taking clear shape. We are finalizing a collaboration with Grab in Indonesia to provide charging solutions for their electric fleet and are looking extensively into the Malaysian market as our next target for Southeast Asian expansion.

This balanced approach—Combining recurring revenue growth, market leadership, strategic expansion and operational excellence—positions Cornerstone to deliver sustainable value as the EV revolution continues to transform global transportation.

**FINANCIAL REVIEW****For the Year ended 31 December 2025****Revenue**

During the year ended 31 December 2025 (the “**FY2025**”), the Group generated revenue from EV charging business, which is categorized into (i) sales of EV charging systems; (ii) electric vehicles charging income; (iii) maintenance income, rental, and EV charging consultancy income; and (iv) provision of installation service income.

	<b>FY2025</b> <i>HK' 000</i>	FY2024 <i>HK' 000</i>
Sales of electric vehicle charging systems	<b>64,614</b>	64,765
Electric vehicles charging income	<b>44,243</b>	23,881
Maintenance income, rental and EV charging consultancy income	<b>8,974</b>	4,204
Provision of installation service income	<b>7,383</b>	60,276
<b>Total Revenue</b>	<b>125,214</b>	153,126

The Group’s total revenue for the FY2025 amounted to approximately HK\$125.2 million, representing a decrease of approximately 18.2% compared to approximately HK\$153.1 million the for the year ended 31 December 2024 (the “**FY2024**”). This contraction was primarily driven by a strategic decision to scale back the provision of installation services and focus on high return trade projects, which saw revenue decline sharply from approximately HK\$60.3 million in FY2024 to approximately HK\$7.4 million in FY2025. This move aligns with the Group’s long-term strategy to pivot away from labour-intensive, lower-margin projects in favour of recurring, high-margin operational income. If we focus on our core business, excluding the provision of installation services, our core business revenue demonstrated strong momentum with a 26.9% year-on-year increase, reaching HK\$117.8 million in FY2025.

Revenue generated from markets outside of Hong Kong experienced robust growth, surging by 69.3% to reach HK\$41.4 million in FY2025 (up from HK\$24.4 million in FY2024). This significant upward trajectory directly reflects the successful execution of the Company’s strategic expansion into Southeast Asia. The accelerated growth in these new markets not only validates our regional scaling initiatives but also demonstrates our growing ability to capture market share and diversify our revenue streams beyond our domestic base.

### **Sales of electric vehicle charging systems**

Sales of electric vehicle charging systems remained stable at approximately HK\$64.6 million for the FY2025 and HK\$64.8 million for the FY2024, demonstrating consistent demand for the Group's hardware solutions.

### **Electric vehicles charging income**

The Group achieved exceptional growth in its core EV charging business. Electric vehicle charging income surged by approximately 85.3% to approximately HK\$44.2 million for the FY2025, up from approximately HK\$23.9 million in FY2024. This robust performance was driven by the continued expansion of the Cornerstone GO and Cornerstone HOME, alongside rising utilization rates as public awareness and EV adoption increased and significant increase in number of Cornerstone GO members and Cornerstone HOME subscribers.

### **Maintenance income, rental and EV charging consultancy income**

The maintenance income, rental, and EV charging consultancy income more than doubled to approximately HK\$8.9 million, reflecting the fact that as the scale of installed infrastructure continues to expand, the demand for ongoing support also increases accordingly.

### **Provision of installation service income**

Revenue from the provision of installation services declined by approximately 87.8% during the FY2025. This decrease was primarily driven by the Company's strategic decision to scale back its participation in the EHSS program, which typically yields lower margins and places a burden on cash flow due to lengthy payment settlements. As part of a broader business realignment, the Company has reallocated its resources to focus on higher-margin opportunities within its EV charging network and the commercial sector, where it enjoys greater pricing flexibility, stronger client engagement, and enhanced returns on investment.

### **Gross Profit and Gross Margin**

Despite the lower revenue in FY2025, the Group's gross profit increased by approximately 13.9% to approximately HK\$31.1 million for the FY2025, compared to approximately HK\$27.3 million in FY2024. The gross profit margin improved significantly from approximately 17.8% in FY2024 to approximately 24.8% for the FY2025. This expansion in margin underscores the successful strategic shift toward the EV charging income segment, which possesses superior unit economics and higher profitability compared to traditional installation projects.

### **Other income**

Our other income mainly represents interest income and gain on termination of lease. Other income slightly decreased from approximately HK\$194,000 for FY2024 to approximately HK\$192,000 for FY2025.

### **Administrative and other operating expenses**

Our administrative and other operating expenses primarily comprise staff costs and benefits for our administrative staff, rental and rates, office expenses, repairs and maintenance and others. Administrative and other operating expenses decreased from approximately HK\$68.5 million in FY2024 to approximately HK\$65.4 million in FY2025. This decrease demonstrates the Company's effective implementation of cost-saving measures, enabling it to maintain operational efficiency without compromising business growth or service quality.

### **Depreciation and amortization**

Depreciation and amortization increased by approximately 17.8% to approximately HK\$18.9 million for FY2025 from approximately HK\$16.0 million for FY2024. The increase was primarily attributable to the continued expansion of the Company's electric vehicle charging infrastructure.

### **Share-based payment expenses**

In FY2025, the Group recorded Share-based payment expenses amounting to approximately HK\$19.8 million (FY2024: nil). This expense primarily stemmed from the Share Award Scheme in FY2025.

### **Share of loss of an associate**

In FY2025, the Group recorded a share of loss of an associate amounting to approximately HK\$9.1 million (FY2024: HK\$70,000). This loss primarily stemmed from the loss in Spark, which remains in the early stage of its business development and is still incurring start-up and expansion-related expenses.

### **Other losses related to Convertible Note**

In FY2025, the Group recorded a fair value losses on the derivative component of a Convertible Note of approximately HK\$11.0 million (FY2024: fair value loss of HK\$73.1 million). This was mainly attributable to the revaluation of the convertible options embedded in the Convertible Note issued in December 2024.

### **Finance costs**

Our finance costs mainly represent interests on borrowings and lease liabilities. Finance costs increased by approximately HK\$8.2 million, from approximately HK\$14.2 million for FY2024 to approximately HK\$22.4 million for FY2025. This increase was mainly attributable to the Company securing a new Convertible Note to support its local and oversea expansion initiatives in December 2024. In FY2025, interest expense on the Convertible Note amounted to HK\$9.1 million. This interest is being accrued together with the principal, and will be converted into shares upon the Convertible Note's maturity or exercise.

### **Income tax credit**

For the FY2024 and FY2025, the Group recorded an income tax credit of approximately HK\$174,000 and HK\$175,000 respectively.

### **Result for the Year**

The Group recorded a loss for the FY2025 of approximately HK\$115.2 million, representing a significant improvement of approximately 20.1% compared to a loss of approximately HK\$144.2 million in FY2024.

### **Item that may be reclassified subsequently to profit or loss: Share of other comprehensive income of an associate**

In FY2025, the Group recorded a share of other comprehensive income of an associate amounting to approximately HK\$2.6 million (FY2024: nil). This gain primarily stemmed from exchange gain from the investment in an associate.

### **Total comprehensive expense**

The Group recorded a total comprehensive expense for the FY2025 of approximately HK\$112.6 million, representing a significant improvement of approximately 21.9% compared to the same of approximately HK\$144.2 million in FY2024.

### **NON-HKFRS ACCOUNTING STANDARDS MEASURES**

To supplement our consolidated financial statements, which are presented in accordance with the HKFRS Accounting Standards (the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants, the Company has also included supplemental, separate financial information relating to its electric vehicle charging business and associated operations. This separate financial information constitutes a Non-HKFRS measure. It is not recognized under HKFRS and does not have a standardized meaning prescribed by HKFRS. Therefore, it should not be considered in isolation, nor should it be construed as an alternative to revenue, net profit, or any other measure of financial performance derived in accordance with HKFRS.

The Company also assesses the operating performance based on a measure of adjusted loss before interest, tax, depreciation and amortization (the “**LBITDA**”) as additional financial measures. By means of these financial measures, the management of the Group is able to evaluate their financial performance regardless of the items they do not consider indicative of the operating performance of their business.

### Adjusted LBITDA

During the Year, the Group incurred some one-off expenses, which are not indicative of the operating performance of the business for the Year. Therefore, the Group arrives at an adjusted LBITDA (the “**Adjusted LBITDA**”) by eliminating the effects of certain non-cash or non-recurring items of the Group, including (i) finance costs, (ii) depreciation and amortisation, (iii) share-based payment expenses, (iv) share of loss of an associate, (v) other income, (vi) other losses related to Convertible Note, and (vii) gain on disposal of subsidiaries, net.

	<b>FY2025</b> <i>(HK\$ ' 000)</i>	FY2024 <i>(HK\$ ' 000)</i>
<b>Revenue</b>	<b>125,214</b>	153,126
Cost of services	<b>(94,145)</b>	(125,846)
<b>Gross profit</b>	<b>31,069</b>	27,280
Expenses, depreciation and amortization	<b>(146,451)</b>	(171,683)
<b>Loss before tax</b>	<b>(115,382)</b>	(144,403)
Finance costs	<b>22,441</b>	14,182
Depreciation and amortisation	<b>18,900</b>	16,044
Share-based payment expenses	<b>19,766</b>	-
Share of loss of an associate	<b>9,127</b>	70
Other income	<b>(192)</b>	(194)
Other losses related to Convertible Note	<b>10,971</b>	73,093
Gain on disposal of subsidiaries, net	<b>-</b>	(4)
<b>Adjusted LBITDA</b>	<b>(34,369)</b>	(41,212)

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Liquidity and Financial Resources

#### Other borrowings, lease liabilities and Convertible Note

Other borrowings, lease liabilities and Convertible Note of the Group amounted to approximately HK\$188.4 million as at 31 December 2025 (FY2024: approximately HK\$194.4 million). Details of the Group's other borrowings, lease liabilities and Convertible Note are set out in Note 25, 26 and 27 respectively.

#### Debt and Gearing Ratios

The Group's debt to equity ratio was not applicable as at 31 December 2025 due to a negative equity position (FY2024: approximately 114.4 times). Similarly, the Group's gearing ratio was not applicable as at 31 December 2025 due to negative equity (FY2024: approximately 156.4 times).

Both debt to equity ratio and gearing ratio recorded at negative as at 31 December 2025 were mainly due the Convertible Note issued in 2024. The Convertible Notes carry a mandatory conversion clause, and the proceeds of the Convertible Note will be utilised as (i) Spark's capital expenses and working capital for the build-out and operation of over 600 EV charging sites at the gas stations of Bangchak in Thailand; and (ii) the general working capital of the Group.

If the Convertible Note was not including to calculate both ratio, the Group's debt to equity ratio was 0.42 times as at 31 December 2025 (FY2024: approximately 0.41 times). The Group's gearing ratio was 0.78 times as at 31 December 2025 (FY2024: approximately 0.73 times).

### Current Ratio and Net Current Liabilities

The Group's current ratio, calculated as total current assets divided by total current liabilities, was approximately 0.65 times as at 31 December 2025 (FY2024: approximately 1.45 times).

As at 31 December 2025, the Group recorded net current liabilities of approximately HK\$46.7 million, compared to net current assets of approximately HK\$44.0 million as at FY2024. This shift was primarily due to the reclassification of a loan facility to current liabilities as of 31 December 2025. This facility was subsequently extended in March 2026. The company would remain in a net current asset position if the extension was adjusted in the financial statement.

In FY2025, the Group's operations were financed principally by revenue generated from its business operations, fund-raising activities such as subscription of shares, available cash and bank balances and borrowings. As at 31 December 2025, the Group had cash and bank balances of approximately HK\$47.9 million (31 December 2024: approximately HK\$52.3 million). The Board will continue to follow a prudent treasury policy in managing its cash and bank balances and maintain a strong and healthy liquidity to ensure that the Group is well positioned to capture any appropriate business opportunities.

### **CHARGE ON ASSETS**

As at 31 December 2025, property, plant and equipment, contract assets, trade receivables, bank balances and investment in an associate of the Group with aggregate carrying value of approximately HK\$189.3 million (31 December 2024: aggregate carrying value of approximately HK\$235.6 million) were pledged as security for the Group's borrowings. Besides, equity interests of certain of the Company's subsidiaries were pledged to secure the Group's green loan facilities.

### **EXCHANGE RATE EXPOSURE**

The Group primarily operates in Hong Kong and had minimal exposure to foreign currency risk, as most transactions, assets, and liabilities were denominated in the functional currency (HK\$). Consequently, the exposure to the risk of foreign exchange rate fluctuations for the Group is not material provided that the Convertible Note denominated in USD. We will continue to monitor currency exchange rate movements and implement necessary measures to mitigate any potential impact.

### **SIGNIFICANT INVESTMENTS**

In FY2025, the Group did not have any significant investments, material acquisitions nor disposals of subsidiaries and affiliated companies.

### **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As of 31 December 2025, the Group did not have any plans for material investments or capital assets.

### **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the year.

### **SUBSCRIPTION OF 25,008,000 NEW SHARES BY CONNECTED PERSONS UNDER SPECIFIC MANDATE (THE "MAY SUBSCRIPTION")**

On 22 May 2024, the Company and Mr. Wu Jianwei, Mr. Liang Zihao and Mr. Li Man Keung Edwin (collectively, the "Subscribers") entered into the subscription agreement (the "May Subscription Agreement"), pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 25,008,000 new Shares at the subscription price of HK\$0.64 per subscription share. Each of the Subscribers shall subscribe for 8,336,000 new Shares. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the May Subscription Agreement was HK\$0.57. The subscription shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the subscription shares. The aggregate nominal value of the subscription shares will be HK\$250,080. The gross proceeds from the May Subscription will be HK\$16.0 million. The estimated net proceeds from the May Subscription after deduction of expenses, will amount to approximately HK\$15.8 million. On such basis, the net price per subscription share will be approximately HK\$0.63. The Company intends to apply the net proceeds from the May Subscription as working capital of the Group and for general corporate purposes.

The Board considers that the May Subscription represents a good opportunity to reduce the indebtedness and finance costs of the Group and to raise additional funds to strengthen the Group's financial position.

The Subscribers are either substantial shareholder or Directors of the Company, and are therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules. The May Subscription constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

Pursuant to the May Subscription, the long stop date for the fulfilment or waiver (as the case may be) of the conditions precedent to the May Subscription is 31 December 2024 (the "Long Stop Date"). As certain conditions precedent to the May Subscription have not been fulfilled by the Long Stop Date and the parties to the May Subscription Agreement have not agreed on any further extension of the Long Stop Date, the May Subscription Agreement lapsed accordingly.

For details of the May Subscription, please refer to the announcements of the Company dated 22 May 2024 and 17 March 2025.

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE (THE "AUGUST PLACING")**

On 2 August 2024, the Company entered into the placing agreement (the "Placing Agreement") with VBG Capital Limited (the "Placing Agent") as the placing agent pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 65,000,000 placing shares at the placing price of HK\$0.53 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Placing Agreement was HK\$0.66. The placing share, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the placing share. The aggregate nominal value of the placing shares will be HK\$650,000. The gross proceeds from the August Placing will be HK\$34.5 million. The estimated net proceeds from the August Placing after deduction of expenses, will amount to approximately HK\$32.7 million. On such basis, the net price per placing share will be approximately HK\$0.50. The Company intends to apply the net proceeds from the August Placing for capital expenditure for the expansion of electric vehicle charging projects in Hong Kong and general working capital of the Group and therefore providing more flexibility to the Company in its future cash management.

For details of the August Placing, please refer to the announcements of the Company dated 2 August 2024 and 29 August 2024.

The August Placing completed on 29 August 2024. An aggregate of 47,820,000 placing shares have been issued and allotted by the Company to not less than six placees, who and whose ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company.

An analysis of the utilisation of the proceeds of the August Placing for the year ended 31 December 2025 is set out below:

	<b>Intended use of net proceeds</b>	<b>Proceeds utilized during the year ended 31 December 2024</b>	<b>Proceeds utilized during the year ended 31 December 2025</b>	<b>Unutilised net proceeds as at 31 December 2025</b>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Expansion of/investment in electric vehicle charging projects	10,065	10,065	-	-
Operating costs for electric vehicle charging projects	1,351	1,351	-	-
General working capital	12,584	-	-	-
– Professional service fees	-	3,457	-	-
– Staff costs, director fees and consultancy fees	-	3,764	5,000	-
– Rental and management fee	-	363	-	-
	<b>24,000</b>	<b>19,000</b>	<b>5,000</b>	<b>-</b>

## PLACING OF NEW SHARES UNDER GENERAL MANDATE (THE “PLACING”)

To strengthen the Group’s financial position to fund future expansion and growth initiatives, on 2 October 2025, the Company entered into the placing agreement (as supplemented by a supplemental agreement dated 17 October 2025) (the “Placing Agreement”) with the Placing Agent to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 127,000,000 placing shares at the placing price of HK\$0.57 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Placing Agreement was HK\$0.7. The placing shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the placing shares. The Board believes that the Placing will help to strengthen the Group’s financial position to fund future expansion and growth initiatives. The completion of the Placing took place on 12 November 2025 and 23,736,000 placing shares were successfully placed under the Placing and the aggregate nominal value is HK\$237,360. The actual gross and net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing amounted to approximately HK\$13.53 million and approximately HK\$13.10 million, respectively. The Company intends to apply the actual net proceeds from the Placing as approximately HK\$13.10 million as to (i) approximately 42.91% or HK\$5.6 million as the general working capital of the Group; (ii) approximately 37.11% or HK\$4.9 million as the capital expenditures of the Group’s projects; (iii) approximately 14.27% or HK\$1.9 million as the finance costs of the Group; and (iv) approximately 5.71% or HK\$0.7 million as the marketing and investor relations fees of the Group. Based on the actual net proceeds of approximately HK\$13.10 million under the Placing, the net placing price is approximately HK\$0.55 per placing share.

For details of the Placing, please refer to the announcements of the Company dated 2 October 2025, 17 October 2025, 12 November 2025 and 17 November 2025.

An analysis of the utilisation of the proceeds of the Placing for the year ended 31 December 2025 is set out below:

	Intended use of net proceeds <i>HK\$ '000</i>	Proceeds utilized during the year ended 31 December 2025 <i>HK\$ '000</i>	Unutilized net proceeds as at 31 December 2025 <i>HK\$ '000</i>	Expected time of full utilisation of the remaining balance
General working capital	5,600			
– Staff costs and director fees	–	4,039	–	
– Rental and management fees	–	466	–	
– Professional service fees	–	1,095	–	
Capital expenditures of the Group’s projects	4,900	948	3,952	June 2026
Finance costs	1,900	–	1,900	March 2026
Marketing and investor relations fees	700	700	–	
	<u>13,100</u>	<u>7,248</u>	<u>5,852</u>	

### SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE (THE “2025 SUBSCRIPTION”)

On 6 November 2025, the Company entered into the subscription agreement (the “2025 Subscription Agreement”), with Mile Green Co. Limited (the “Subscriber”), being independent third party, whereby the Subscriber conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue an aggregate of 19,200,000 subscription shares at the subscription price of HK\$0.57 each. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the 2025 Subscription Agreement was HK\$0.670. The subscription shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the subscription Shares.

The Subscriber is a strategic partner to the Group, with our collaborative framework established to facilitate the Group’s business expansion and market presence in Thailand. The Subscriber had previously identified an investment in the Company’s shares as an opportunity to signal its confidence in the Group’s long-term development prospects and its recognition of the Company’s intrinsic value. It further believed that such an investment would serve to deepen mutual trust and commitment, thereby establishing a more stable cooperative model. The completion of the 2025 Subscription took place on 18 November 2025. The nominal value of the Subscription Shares is approximately HK\$192,000. The proceeds raised from the 2025 Subscription will be approximately HK\$10.94 million. The Company intends to apply the proceeds from the 2025 Subscription as to (i) approximately 40% or HK\$4.38 million as procurement of EV Charging hardware and electrical equipment and parts; and (ii) approximately 60% or HK\$6.56 million as the installation and works for EV charging stations.

For details of the 2025 Subscription, please refer to the announcements of the Company dated 6 November 2025, 17 November 2025 and 18 November 2025.

An analysis of the utilisation of the proceeds of the 2025 Subscription for the year ended 31 December 2025 is set out below:

	Intended use of net proceeds <i>HK\$' 000</i>	Utilized during the year ended 31 December 2025 <i>HK\$' 000</i>	Unutilized net proceeds as at 31 December 2025 <i>HK\$' 000</i>	Expected time of full utilisation of the remaining balance
EV charging hardware and electrical equipment and parts	4,378	-	4,378	December 2026
Installation and works for EV charging stations	6,566	1,800	4,766	December 2026
	<u>10,944</u>	<u>1,800</u>	<u>9,144</u>	

### **SUBSCRIPTION OF CONVERTIBLE NOTES UNDER SPECIFIC MANDATE (THE “CN SUBSCRIPTION”)**

On 20 September 2024, the Company entered into the Convertible Notes subscription agreement (the “Convertible Notes Subscription Agreement”) with Floryn Passie Limited (“Floryn Passie”), pursuant to which the Company agreed to issue and the Floryn Passie agreed to subscribe in cash for the Convertible Notes (the “Convertible Notes”) in the aggregate principal amount of HK\$200 million at the conversion price (the “Conversion Price”) of the lower of 80% of the 90-days VWAP or HK\$0.50 per conversion share (the “Conversion Share(s)”), i.e. the ordinary share(s) with a nominal value of HK\$0.01 each to be issued and allotted upon conversion of the Convertible Notes.

Based on the initial Conversion Price of HK\$0.50 per Conversion Share, a total of 400,000,000 Conversion Shares (subject to the conversion restrictions) will be allotted and issued upon exercise of the conversion rights attached to the Convertible Notes in full, representing (i) approximately 41.95% of the total number of Shares in issue as at 20 September 2024, and (ii) approximately 29.55% of the total number of Shares in issue as enlarged by the allotment and issue of the 400,000,000 Conversion Shares (subject to the conversion restrictions) upon full conversion of the Convertible Notes.

The gross proceeds from the CN Subscription will be HK\$200 million. The estimated net proceeds from the CN Subscription after deduction of expenses, will amount to approximately HK\$199.5 million, which will be used as (i) HK\$180 million for the Common Shares Subscription, which will be utilised as Spark’s capital expenses and working capital for the build-out and operation of over 600 EV charging sites at the gas stations of Bangchak in Thailand; and (ii) the remaining HK\$19.5 million for the general working capital of the Group.

The Board considers that the CN Subscription represents a good opportunity to expand its business into Thailand and strengthen its EV charging presence in the Southeast Asia region.

The CN Subscription completed on 6 December 2024.

For details of the CN Subscription, please refer to the announcements of the Company dated 20 September 2024, 23 September 2024 and 6 December 2024 and the circular of the Company dated 4 October 2024.

The Convertible Note will be issued and allocated into 3 tranches. Tranche 1 Convertible Notes with a 6.0% coupon in the principal amount of HK\$95,600,000 was issued by the Company to Floryn Passie in accordance with the terms of the CN Subscription Agreement on 4 December 2024.

The proceeds of HK\$95,600,000 from the Tranche 1 Convertible Notes were fully utilized as at 31 December 2024.

As at the date of this report, Tranche 2 and Tranche 3 Convertible Notes have not yet been issued or allocated.

### **GRANT OF SHARE AWARDS**

At the extraordinary general meeting held on 22 December 2025, independent shareholders approved the grant of a total of 94,199,200 award shares to grantees pursuant to the terms of the 2025 Share Award Scheme. Details of the grant are set out in the section titled “2025 Share Award Scheme” in this annual report.

**CONNECTED TRANSACTION IN RELATION TO SETTLEMENT OF LOAN THROUGH SUBSCRIPTION OF NEW SHARES (THE “LOAN CAPITALIZATION”)**

On 21 January 2025, the Company as debtor entered into the deed (the “Deed”) of settlement of the shareholders’ loan with Mr. Liang Zihao and Ms. Wu Yanyan (collectively, the “Creditors”) pursuant to which the Company has conditionally agreed to issue and allot to the Creditors (or their nominee(s)) an aggregate of 32,046,008 subscription shares at the subscription price of HK\$0.50 per subscription share. The subscription amount payable by the Creditors under the Deed shall be satisfied by capitalizing the entire amount of the shareholders’ loan due to the Creditors from the Company. As at 21 January 2025, the Company as debtor is indebted to the Creditors in an aggregate amount of HK\$16,023,004 (the “Shareholders’ Loan”).

The aggregate nominal value of the subscription shares is approximately HK\$320,460.

The subscription shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue.

The subscription price of HK\$0.50 per subscription share represents an equal to the closing price of HK\$0.50 per Share as quoted on the Stock Exchange on 21 January 2025, the date of the Deed.

As the Loan Capitalization shall be satisfied by way of offsetting part of the outstanding principal amount under the Shareholders’ Loan owed by the Company to the Creditors, there were no remaining net proceeds from the allotment and issue of the subscription shares available to be utilised by the Company.

Given the Group’s financial position, the Group is not in a position to repay the amount due to the Creditors without tightening the existing financial resources. The Loan Capitalisation enables the Group to settle its existing liabilities without utilising the existing financial resources and can avoid cash outflows.

The subscription shares were issued and allotted pursuant to the Deed approved by the independent shareholders at the Company’s extraordinary general meeting held on 15 September 2025.

The Creditors are either substantial shareholders or Directors of the Company, and are therefore connected persons of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the Loan Capitalization will constitute a connected transaction for the Company and is subject to the announcement, reporting and Independent Shareholder’s approval requirements under Chapter 20 of the GEM Listing Rules.

For details of the Loan Capitalisation, please refer to the announcements of the Company dated 21 January 2025, 15 May 2025, 30 June 2025 and 15 September 2025 and the circular of the Company dated 26 August 2025.

# Biographies of Directors and Senior Management

## EXECUTIVE DIRECTORS

Mr. Liang Zihao (梁子豪) (“Mr. Liang”), aged 44, obtained his bachelor of business administration, marketing from the University of Regina, Canada in 2007. Mr. Liang has been the chairman of Guangzhou Panyu District Bangteng Chemical Industry Limited\* (廣州市番禺區邦騰化工有限公司), a company that is principally engaged in the production of industrial unsaturated resin, paints and powder coating since 2007. Mr. Liang has also been the chairman of Guangzhou Panyu District Honghao Investment Limited\* (廣州番禺區宏豪投資有限公司), a company that is principally engaged in the provision of investment consultancy service and property management since 2018. Mr. Liang is primarily responsible for formulating the investment strategies in the printing business and overseeing fund raising planning and investors relations in China.

Mr. Wu Jianwei (吳健威) (“Mr. Wu”), aged 44, was appointed as a non-executive Director on 22 January 2020 and redesignated as executive Director on 21 November 2024. He obtained a diploma in information technology from the Temasek Polytechnic (Singapore). Mr. Wu has extensive experience in investing and managing companies. He is currently the chief executive officer of Chang Yuan Investments Pte Ltd, Chang He Holdings Pte Ltd and Champion Management Pte Ltd in Singapore. His business encompasses property investment, asset management, business restructuring, hotel management and electric vehicles. He is mainly responsible for overseeing his business’s performance and management and directing the formulation of business development strategies. From 2012 to 2015, under his management and leadership, his business has acquired the property investment portfolio aggregately valued over approximately SG\$150.0 million at the respective

purchase dates including (i) commercial offices located at Marine Parade and Paya Lebar; (ii) hotels located at Joo Chiat and North Canal; and (iii) retail, food and beverage units at Katong in Singapore. Mr. Wu is primarily responsible for providing overall leadership in the strategic development of the Group and overseeing the management of the Board.

Mr. Wu is the younger brother of Ms. Wu, the executive Director.

Mr. Li Man Keung Edwin (李民強) (“Mr. Li”), aged 56, was appointed as an executive Director of our Company on 24 August 2020 and appointed as the Vice Chairman of the Company on 18 March 2022. Mr. Li obtained his diploma of Mechanical Engineering Technician – Drafting Design and diploma of Electro-Mechanical Engineering Technician from Humber College Institute of Technology and Advanced Learning in Canada in 1990 and 1991, respectively. Since 1991, he has been a director of Kwoon Kwen Metal Ware Company Limited, a company incorporated in Hong Kong, which is principally engaged in manufacturing of small metal parts, power tools and machinery parts. He has also been a director of Kwoon Kwen Ying Enterprises Limited since 1994, a company incorporated in Hong Kong, which is principally engaged in the business of property development. Mr. Li is primarily responsible for formulating the investment strategies in the electric vehicle business and overseeing fund raising planning and investors relations in Hong Kong. He has been an executive director and the chairman of Hatcher Group Limited, a company listed on GEM of the Stock Exchange (Stock Code: 8365) since 25 January 2022.

\* For identification purposes only

Mr. Yip Shiu Hong (葉兆康) ("Mr. Yip"), aged 49, is currently the Chief Executive Officer of our Group. Mr. Yip is primarily responsible for carrying out executive functions including day-to-day business and operations management of the Group. Mr. Yip graduated from Keble College of the University of Oxford in 2000 with a Master's degree in Engineering and Computer Science.

Mr. Yip has over 10 years of top management experience. Prior to joining the Group, Mr. Yip started working for McKinsey & Company, Inc, an international management consultant firm, as a business analyst in 2000 and was subsequently promoted to associate principal. In 2011, Mr. Yip co-founded Malvern College International (Asia Pacific), a British-styled boarding school with campuses in Mainland China and Hong Kong, he acted as a management board member and steered the overall direction of the school. He joined the G2000 (Apparel) Limited, a leading apparel retailer based in Hong Kong with over 1,000 point-of-sales in China and 13 countries across Asia, as group CEO between 2015 and 2018. From 2018 to 2021, Mr. Yip was appointed as the CEO of K11 Cultural Enterprise Businesses by New World Development Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0017). He was responsible for managing an ecosystem of family and children related businesses under the New World Group including family-focused shopping malls and education platforms.

Mr. Ho Karl (何家豪) ("Mr. Ho"), aged 45, is currently the CFO of the Group since 1 May 2023. Mr. Ho is primarily responsible for carrying out executive functions including day-to-day business and financial management of the Group. Mr. Ho graduated from the University of Toronto in 2004 with an Honors Bachelor's Degree in Economics and Commerce. Mr. Ho's career in capital markets and investment banking spans over 20 years, marked by a steady progression through increasingly senior roles. He began his career at The Hongkong and Shanghai Banking Corporation Limited (HSBC), gaining foundational experience in investment banking between 2004 and 2007. His experience then progressed to Goldman Sachs in Hong Kong, where he worked in both Corporate Treasury, focusing on cash management and funding solutions, and Investment Banking, specializing in real estate transactions between 2007 and 2011. He further enhanced his investment banking career at Credit Suisse in Hong Kong between 2011 and 2012. A substantial portion of his career was dedicated to China Resources Power Holdings Company Limited (a company listed on the Main Board of the Stock Exchange (stock code: 836), serving as Head of Investor Relations for close to 10 years, overseeing investor relations, corporate finance, and regulatory compliance between 2012 to 2021. Most recently, he took on leadership positions at Novotech Health Holdings Ltd, leading all investor relations, mergers and acquisitions (M&A), and capital markets activities, completing numerous M&A projects during his tenure between 2021 and 2022. Mr. Ho was appointed as the Chief Development Officer (CDO) of Cornerstone Technologies in September 2022, and subsequently in May 2023, he was appointed as the Chief Financial Officer (CFO) of the Group.

Mr. Pan Wenyuan ("Mr. Pan"), aged 42, obtained his diploma in travel, tourism and hospitality management from Windsor Management College in Singapore in 2020. He has been a director of Hao Yuan Wei Holdings Private Ltd. since 2020, a company incorporated in Singapore, which is principally engaged in the business of investment holding in Singapore. He has been responsible for deal origination, structuring, execution and portfolio management. He was previously a director of YS Development Pte. Ltd., a company incorporated in Singapore, which was principally engaged in real estate investment. His main responsibilities in YS Development Pte. Ltd. were investment advisory, project development and business sourcing. On 2 July 2017, YS Development Pte. Ltd. was struck-off and dissolved due to cessation of business. Mr. Pan is primarily responsible for development of EV charging business in South East Asia.

Ms. Wu Yanyan (吳燕燕) ("Ms. Wu"), aged 47, graduated from the University of Bradford with a bachelor of Science Business and Management. She has over 15 years of experience in management and operation. She is currently a director of Guangdong Dongheng Furniture Group Co., Ltd.\* (廣東東恆家具集團有限公司), Lecong Oriental International Home Furnishing Exhibition Center Co., Ltd.\* (樂從鎮之東方國際家居匯展中心有限公司), Guangdong Foshan Changhe Real Estate Co., Ltd.\* (廣東省佛山市長河房產有限公司), Guangdong Foshan Lecong International Convention and Exhibition Center Co., Ltd.\* (廣東省佛山市樂從國際會展中心有限公司), Guangdong Foshan Lecong Oriental Craftsman Furniture Co., Ltd.\* (廣東省佛山市樂從東方名匠家具有限公司) and Guangdong Foshan Zhengye Trading Co., Ltd.\* (廣東省佛山正業貿易有限公司). In addition, she is the director of Singapore Chang He Holdings Pte Ltd, Singapore Chang Yuan Investments Pte Ltd, Singapore Hong Ri Investments Pte Ltd and Singapore Scott's Investments Pte Ltd.

Ms. Wu is the elder sister of Mr. Wu Jianwei, the executive Director.

## NON-EXECUTIVE DIRECTOR

Mr. Koh Herbin Puay Teck (許培德) ("Mr. Koh"), aged 34, is currently the Head of Growth Equity, Deputy Head of Infrastructure and Head of Climate Technology at Gaw Capital, a private equity fund management company that focuses on real estate markets in Asia Pacific and other high barrier-to-entry markets. With 8 years of experience, Mr. Koh has helped to build the growth equity business at Gaw Capital, deploying over US\$800 million in equity commitment across APAC.

Mr. Koh holds a Bachelor of Arts Degree in Economics from Yale-NUS College.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Ip Ka Lai (葉嘉麗) (“Ms. Ip”), aged 53, has more than 25 years of experience in human resources management and development gained from companies from different sectors. From April 2005 to May 2011, she worked in Convoy Financial Services Limited, a subsidiary of Convoy Global Holdings Limited (a company whose shares were previously listed on the Stock Exchange with stock code: 1019 and delisted on 4 May 2021), with the last position as head of human resources, where she engaged in overseeing all functions of the human resources department. She is also the founder and the director of Connexions Consulting Ltd., a consultancy firm providing services on recruitment and human resources management for listed and small and medium-sized enterprises in various sectors, since 2011.

Ms. Ip obtained her Master of Business Administration from the University of Hull in 2014, and her Bachelor of Arts Degree in Human Resource Management from University of Teesside in 1997. She is also a member of Hong Kong Institute of Human Resource Management.

**Mr. Li Michael Hankin (李恆健) (“Mr. Michael Li”)**, aged 61. He is a member of the American Institute of Certified Public Accountants. He has more than 30 years’ experience in financial and accounting, fundraising, mergers and acquisitions, restructuring and international business development.

He has been an independent non-executive director of COFCO Meat Holdings Limited (now known as COFCO Joycome Foods Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1610) since May 2016 and an independent non-executive director of China Mengniu Dairy Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2319) since December 2021.

Mr. Michael Li worked at several Hong Kong listed companies as head of corporate finance, general manager of investor relations and mergers and acquisitions, including as head of corporate finance of GCL-Poly Energy Holdings Limited a company listed on the Main Board of the Stock Exchange (stock code: 3800) during January 2014 to June 2015 and as general manager of investor relations & mergers and acquisitions of Newton Resources Limited a company listed on the Main Board of the Stock Exchange (stock code: 1231) in 2013. Mr. Michael Li also worked at several international banks where he had led numerous fund raising exercises in Hong Kong and the United States. During the period from March 1994 to June 2004, Mr. Michael Li was the executive director (corporate finance) at BNP Paribas Capital (Asia Pacific) Limited. During the period from July 2004 to December 2005, Mr. Michael Li was employed at GoldBond Capital (Asia) Limited and was a managing director (investment banking) of Rothschild (Hong Kong) Limited during the period from March 2007 to May 2011. From November 2017 to August 2019, he was the deputy general manager of Shougang Concord Grand (Group) Limited, a company listed on the Main Board of the Stock Exchange (stock code: 730). Mr. Michael Li obtained a bachelor’s degree in accountancy from California State University, Los Angeles in June 1985, and a master’s degree in business administration from Columbia University, New York in May 1992. He was an independent non-executive director of Clarity Medical Group Holding Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1406) from March 2019 to November 2024.

Ms. So Sze Wan Lisa (蘇詩韻) (“Ms. So”), aged 50. She has accumulated over 20 years of experience in legal by working in various listed and sizeable companies in Hong Kong.

She holds the position of Chief Legal Officer at K11 by AC Limited, a member of Almad Group Limited specializing in cultural retail management and operating luxury city clubs.

From October 2017 to November 2024, she has been the head of legal of K11 Concepts Limited, a subsidiary of New World Development Company Limited (a company listed on Main Board of the Stock Exchange (Stock Code: 0017)). From 2016 to 2017, she was the head of legal of Nikon Holdings Hong Kong Limited. From 2015 to 2016, she was the assistant general counsel of LCW Management Limited. From 2010 to 2015, she was the general counsel and company secretary of Yip's Chemical Holdings Limited, a company listed on Main Board of the Stock Exchange (Stock Code: 0408).

She has been the independent non-executive director of Sitoy Group Holdings Limited, a company listed on Main Board of the Stock Exchange (Stock Code: 1023) since November 2025.

Ms. So graduated from the University of Hong Kong with a Bachelor of Laws degree in 2000 and obtained a Master of Laws degree from King's College London in 1999. She is a practising solicitor in Hong Kong.

Mr. Tam Ka Hei Raymond (譚家熙) (“Mr. Tam”), aged 45, has over 16 years of experience in corporate finance. He is currently a director of the corporate finance department at Yu Ming Investment Management Limited, a wholly-owned subsidiary of Da Yu Financial Holdings Limited (which is listed on the Main Board of the Stock Exchange) (Stock code: 1073) and a licensed holder to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Mr. Tam has also been appointed as an independent non-executive director of TIL Enviro Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1790) since 4 October 2018 and an independent non-executive director of Grand Power Logistics Group Limited, a company listed on GEM of the Stock Exchange (Stock Code: 8489) since 11 December 2020, and a non-executive director and chairman of the board of Dashan Education Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 9986) since 22 December 2025.

Mr. Tam graduated from University of Kent, the United Kingdom with a bachelor of arts degree in Accounting and Finance with Computing in 2002.

## SENIOR MANAGEMENT

Mr. Ng Sze Chun (吳思駿) (“Mr. Ng”), aged 40, is currently the Chief Operating Officer of our Group since 7 January 2022. Mr. Ng is primarily responsible for maintaining the effectiveness and efficiency of the Group's overall business activities and implementing of the Group's strategic business plan. Mr. Ng has over 10 years of management experience and worked for K11 Cultural Enterprise Businesses Group as Head of New Business and was appointed in managerial roles for C.K. Hutchison (stock code: 0001), CROCS (NASDAQ: CROX), Wang On Group (stock code: 1222) and IATS Group. He is experienced on formulating business strategy and managing overall business operation for businesses across variety of industries and markets.

Mr. Ng graduated from The University of Hong Kong with a Bachelor degree in Science, and is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Chartered Institute of Management Accountants.

**Mr. Kwan Chun Sing (關進昇)** (“Mr. Kwan”), aged 40, is currently the Head of Sales and Business Development of EV charging business since 1 December 2021. Mr. Kwan has over 10 years of strong sales management experience and worked for HKBN Enterprise Solutions Limited (stock code: 1310) as Co-Owner and Associate Director – Major Accounts and Strategic Projects. Mr. Kwan was appointed in managerial roles for HKBN Limited and Hong Kong Technology Venture Co. Ltd. (stock code: 1137), formerly known as CTI Group. He is experienced on formulating sales strategy and co-creating business value with enterprise customers and business partners. Mr. Kwan graduated from City University of Hong Kong with a bachelor's degree in business administration and marketing.

#### **COMPANY SECRETARY**

**Mr. Chu Pui Ki Dickson (朱沛祺)** (“Mr. Chu”), aged 41, obtained a bachelor's degree of business administration in accounting from the Hong Kong Baptist University in Hong Kong in November 2006 and he has been a member of Hong Kong Institute of Certified Public Accountants since February 2011. Mr. Chu has over 10 years of relevant experience in accounting and auditing and has experience in tax, internal control matters and holding the positions of company secretary and authorised representative in other companies listed on the Stock Exchange. He is currently serving as the company secretary and providing professional corporate services to companies listed in the Main Board and GEM of the Stock Exchange.

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# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICES

The corporate governance practices of Cornerstone Technologies Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are based on the principles and the code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix C1 to the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## CODES COMPLIANCE

The Company has complied with the code provisions of the Code for the year ended 31 December 2025.

## APPOINTMENT, RE-ELECTION AND RETIREMENT OF THE DIRECTORS

In accordance with article 108 of the articles of association (the “Articles”) of the Company, at each annual general meeting (the “AGM”) one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

In accordance with article 112 of the Articles, any Director appointed by the Board either to fill a casual vacancy or as an additional Director shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting.

Pursuant to the Articles, Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Pan Wenyuan and Mr. Tam Ka Hei Raymond will retire from office as Directors at the forthcoming AGM, and being eligible, will offer themselves for re-election.

No Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the “Standard of Dealings”), as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he has complied with the Standard of Dealings from 1 January 2025 and up to the date of this annual report.

Pursuant to rule 5.66 of the Standard of Dealings, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he would be prohibited from dealings by the Standard of Dealings as if he/she was a Director.

## BOARD OF DIRECTORS

The Directors who held office during the year ended 31 December 2025 and up to the date of this annual report are as follows:

Board of Directors

### ***Executive Directors***

Mr. Liang Zihao (*Co-chairman*)  
Mr. Wu Jianwei (*Co-Chairman*)  
Mr. Li Man Keung Edwin (*Vice Chairman*)  
Mr. Yip Shiu Hong (*Chief Executive Officer*)  
Mr. Ho Karl (*Chief Financial Officer*)  
Mr. Pan Wenyuan  
Ms. Wu Yanyan

### ***Non-Executive Director***

Mr. Koh Herbin Puay Teck

### ***Independent Non-Executive Directors***

Ms. Ip Ka Lai  
Mr. Li Michael Hankin <sup>(Note 1)</sup>  
Ms. So Sze Wan Lisa  
Mr. Tam Ka Hei Raymond  
Ms. Yeung Pik Wah <sup>(Note 2)</sup>

*Note 1:* Appointed on 27 February 2025

*Note 2:* Resigned on 27 February 2025

The brief biographical details of the Directors are set out in the section headed “Biographies of Directors and Senior Management” of this annual report.

Mr. Li Michael Hankin has obtained the legal advice on 27 February 2025 referred to in Rule 5.02D of the GEM Listing Rules and has confirmed that he understood his obligations as a director of the Company.

The Company had complied with the requirements under Rule 5.05(1) and (2), and 5.05A of the GEM Listing Rules during the year ended 31 December 2025 and up to the date of this annual report. The Company considers all independent non-executive Directors meet the guidelines for assessment of their independence as set out in Rule 5.09 of the GEM Listing Rules.

### **FUNCTIONS OF THE BOARD**

The Board supervises the management of the business and affairs of the Company. The Board’s primary duty is to ensure the viability of the Company and to ensure that it is managed in the best interests of the shareholders as a whole while taking into account the interests of other stakeholders. The management is delegated with the authority and responsibility by the Board for the management and administration of the Group. The Group has adopted internal guidelines in setting forth matters that require the Board’s approval. Apart from its statutory responsibilities, the Board approves the Group’s strategic plan, key operational initiatives, major investments and funding decisions. It also reviews the Group’s financial performance, identifies principal risks of the Group’s business and ensures implementation of appropriate systems to manage these risks. Daily business operations and administrative functions of the Group are delegated to the management.

The Board is also delegated with the corporate governance functions under the Code. The Board has reviewed and discussed the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

The Board is the ultimate decision-making body for all matters considered material to the Group, and it is directly, and indirectly through various Board Committees, responsible for performing the corporate governance duties as set out in code provision A.2.1 of the CG Code, which include:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report.

The Board has also delegated various responsibilities to the Board Committees. Further details of the Board Committees are set out below in this annual report.

## **BOARD MEETINGS AND PROCEDURES**

Board members will be provided with complete, adequate and timely information to allow them to fulfill their duties properly. In compliance with code provision C.5.3 of the Code, at least 14 days' notice will be given for a regular Board meeting to give all Directors an opportunity to attend. Notice, agenda and board papers of regular Board meetings are sent to all Directors within reasonable time and at least 3 days prior to the meetings. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and are required to abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comments before the final version are endorsed in the subsequent Board meeting. Each Director is entitled to seek independent professional advice in appropriate circumstances at the expense of the Company.

During the year ended 31 December 2025, details of the attendance of the Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings, and general meetings of the Company held are summarised as follows:

	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	General meeting
<b>EXECUTIVE DIRECTORS</b>					
Mr. Liang Zihao	5/5	NA	3/3	2/2	4/4
Mr. Wu Jianwei	3/5	NA	2/3	1/2	0/4
Mr. Li Man Keung Edwin	5/5	NA	NA	NA	4/4
Mr. Yip Shiu Hong	5/5	NA	NA	NA	4/4
Mr. Ho Karl	5/5	NA	NA	NA	4/4
Mr. Pan Wenyuan	5/5	NA	NA	NA	3/4
Ms. Wu Yanyan	3/5	NA	NA	NA	3/4
<b>NON-EXECUTIVE DIRECTOR</b>					
Mr. Koh Herbin Puay Teck	4/5	NA	NA	NA	3/4
<b>INDEPENDENT NON-EXECUTIVE DIRECTORS</b>					
Ms. Ip Ka Lai	5/5	4/4	3/3	2/2	4/4
Mr. Li Michael Hankin <sup>(Note 1)</sup>	3/3	3/3	1/1	1/1	3/4
Ms. So Sze Wan Lisa	5/5	4/4	3/3	2/2	3/4
Mr. Tam Ka Hei Raymond	5/5	4/4	3/3	2/2	4/4
Ms. Yeung Pik Wah <sup>(Note 2)</sup>	1/2	1/1	1/2	0/1	NA

Note 1: Appointed on 27 February 2025

Note 2: Resigned on 27 February 2025

During the year ended 31 December 2025, the Board also reviewed the implementation and effectiveness of mechanisms to ensure independent views and input are available to the Board. Taking into account the following channels, the Board considered that the Company had in place mechanisms which remain effective to ensure a strong independent element on the Board:

- a sufficient number of three independent non-executive Directors representing at least one-third of the Board and all of them continue to devote adequate time contribution to the Company;
- the independent non-executive Directors have an equal status to other Board members;
- all independent non-executive Directors share their views and opinions through regular meetings;
- annual meeting between the Chairman and all independent non-executive Directors without presence of other Directors providing effective platform for the Chairman to listen independent views on various issues concerning the Group;
- interaction with management and other Board members including the Chairman outside the boardroom upon request by the Directors; and
- independent professional advice would be provided to independent non-executive Directors upon reasonable request to assist them to perform their duties to the Company.

## **BOARD COMMITTEES**

The Board has established three specific committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee specific aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

The written terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the websites of the Stock Exchange and the Company.

## AUDIT COMMITTEE

The Company established the Audit Committee on 19 April 2018 with written terms of reference in compliance with the code provisions of the Code. The primary duties of the Audit Committee are, among others, (i) to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management systems; (ii) to oversee the audit process; (iii) to make recommendations to the Board on the appointment and removal of external auditors; (iv) to monitor any continuing connected transaction; (v) to ensure the compliance with relevant laws and regulations and performance of the corporate governance functions delegated by the Board; and (vi) to perform other duties and responsibilities as assigned by the Board.

The Audit Committee currently consists of four members, namely Mr. Li Michael Hankin (Chairman), Ms. Ip Ka Lai, Ms. So Sze Wan Lisa and Mr. Tam Ka Hei Raymond, all being independent non-executive Directors. The Group's final results for the year ended 31 December 2025 had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee is of the view that the annual results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

The Audit Committee held four (4) meetings during the year ended 31 December 2025. Details of the attendance of the Audit Committee meetings are set out above.

At the meetings, the Audit Committee had:

- reviewed the Group's audited consolidated financial statements for the year ended 31 December 2024;
- reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2025;
- discussed with the auditor on the planning of the annual audit;
- assessed the audit work of the auditor and its audit fee; and
- reviewed the Group's financing and accounting policies, the continuing connected transactions and the risk management and internal control systems of the Group and made recommendations to the Board accordingly.

## REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 19 April 2018 with written terms of reference in compliance with the code provisions of the Code. The primary duties of the Remuneration Committee are, among others, (i) to make recommendations to our Directors on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) to determine the terms of the specific remuneration package of all Directors and senior management; and (iii) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee currently consists of six members, namely, Ms. Ip Ka Lai (Chairlady), Mr. Li Michael Hankin, Ms. So Sze Wan Lisa and Mr. Tam Ka Hei Raymond, all of whom being independent non-executive Directors, and Mr. Liang Zihao and Mr. Wu Jianwei, of whom being executive Directors. The majority of the members of the Remuneration Committee are independent non-executive Directors. The remuneration of the Directors is determined with reference to, among other things, their duties, responsibilities and performance. The Remuneration Committee makes recommendations to the Board on remuneration packages of individual Directors and the members of senior management.

The Remuneration Committee held three (3) meetings during the year ended 31 December 2025. Details of the attendance of the Remuneration Committee meetings are set out above.

At the meetings, the Remuneration Committee had:

- reviewed the remuneration packages and performance of the Directors and the senior management and remuneration policy of the Directors;
- reviewed and made recommendation to the Board regarding the grant of share awards to the Directors and eligible participants under the 2025 Share Award Scheme. Vesting of the share awards is subject to the fulfillment of the performance targets by the Company. 12.5% of the share awards will be vested immediately upon each respective performance target set out in the circular of the Company dated 2 December 2025 is achieved. In this regard, the vesting period of the share awards granted is less than 12 months. Having considered grants of share awards which are subject to performance-based vesting conditions in lieu of time-based vesting criteria pursuant to the 2025 Share Award Scheme, the principal terms of which are set out in Appendix III to the circular of the Company dated 6 June 2025, the Remuneration Committee is of the view that the vesting period of the share awards is appropriate; and
- made recommendations to the Board accordingly.

## NOMINATION COMMITTEE

The Company established the Nomination Committee on 19 April 2018 with written terms of reference in compliance with the code provisions of the Code. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board annually; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to appointment or reappointment of Directors.

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- Reputation for integrity;
- Accomplishment and experience in the EV charging industry;
- Commitment in respect of available time and relevant interest; and
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee may consider other factors so to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

The Nomination Committee currently consists of six members, namely, Mr. Tam Ka Hei Raymond (Chairman), Ms. Ip Ka Lai, Mr. Li Michael Hankin and Ms. So Sze Wan Lisa, all of whom being independent non-executive Directors and Mr. Liang Zihao and Mr. Wu Jianwei, all of whom being executive Director. The majority of the members of the Nomination Committee are independent non-executive Directors.

The Nomination Committee held two (2) meetings during the year ended 31 December 2025. Details of the attendance of the Nomination Committee meetings are set out above.

At the meeting, the Nomination Committee reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, formulated the board diversity policy and made recommendations to the Board accordingly.

## **DIVERSITY OF THE BOARD**

The Board has adopted a "Board Diversity Policy" (the "Policy") which sets out the approach to achieve diversity on the Board and the Nomination Committee is responsible for monitoring the implementation of the Policy. In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Policy, including but not limited to gender, age, cultural and educational background, or professional experience etc. The Nomination Committee will discuss any revisions which may be required, and recommend any such revisions to the Board for consideration and approval.

The Board will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness. The Group will also ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company; and will continue to apply the principle of appointments based on merits with reference to the Policy as a whole.

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. The employee gender ratio of the Group as at 31 December 2025 is approximately 1 male : 0.56 female. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service, and the Group will make sure achieving gender diversity across the workforce. The Board considers that the gender ratio in the workforce (including senior management) is satisfactory. Yet, the Group will still (i) periodically review internal records on gender diversity; (ii) identify suitable female candidates for relevant positions within the Company; and (iii) try to ensure that there is gender diversity when recruiting staff at mid to senior level and engage more resources in career development and training female staff with the aim of promoting them to the senior management or directorship of the Company.

The Board currently comprises of 12 Directors, three of which are female. The Board is currently of the opinion that it generally meets the diversity requirements under the GEM Listing Rules. Yet, the Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified and will review the implementation and effectiveness of the Policy on an annual basis to ensure its continued effectiveness.

During the year ended 31 December 2025, the Nomination Committee has reviewed the independence of the independent non-executive Directors, to consider the qualifications of the retiring Directors standing for election at the 2025 annual general meeting, to review the structure, size and composition of the Board and to review the Policy. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

## **INDEPENDENT NON-EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTOR**

All independent non-executive Directors have been appointed for a fixed term. Pursuant to the letters of appointment between the Company and the independent non-executive Directors, Mr. Tam Ka Hei Raymond has been appointed for a term of three years commencing from the date of appointment, Ms. Ip Ka Lai, Mr. Li Michael Hankin and Ms. So Sze Wan Lisa have been appointed for a term of two years commencing from the date of appointment. The appointment of any independent non-executive Directors may be terminated by either party by giving written notice in advance pursuant to the letter of appointment. Every Director is subject to re-election on retirement by rotation in accordance with the Articles. The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers the independent non-executive Directors to be independent as at the date of this annual report.

Pursuant to the letter of appointment entered into between Mr. Koh Herbin Puay Teck, a non-executive Director, and the Company, Mr. Koh Herbin Puay Teck has been appointed for a term of two years commencing from the date of appointment. The appointment of any non-executive Director may be terminated by either party by giving written notice in advance pursuant to the letter of appointment and is subject to re-election on retirement by rotation in accordance with the Articles.

The independent non-executive Directors and non-executive Director have the same duties of care and skill and fiduciary duties as the executive Director.

The functions of the independent non-executive Directors and non-executive Director include, but not limited to:

- (i) participating in Board meetings to bring an independent judgement to bear on issues of corporate strategy, corporate performance, accountability, resources, key appointments and standard of conducts;
- (ii) taking the lead where potential conflicts of interests arise;
- (iii) serving and actively participating in committees, if invited;
- (iv) attending general meetings of the Company and developing a balanced understanding of the views of the Shareholders; and
- (v) scrutinising the Company's performance in achieving the agreed corporate goals and objectives and monitoring the reporting of performance.

#### **DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT**

Each newly appointed Director will receive a formal, comprehensive and tailor-made induction training on the first occasion of his appointment to ensure that he has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under the statutes and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. During the year ended 31 December 2025, the Directors had received induction training conducted by the Company's Hong Kong legal advisers in respect of their duties and responsibilities as a director of a listed company.

The Company will from time to time arrange and fund suitable training for all Directors to participate in continuous professional development organized in the form of in-house trainings and seminars so as to keep them refreshed of their knowledge and skills and understanding of the Group's business and to update their skills and knowledge on the latest development and changes in the roles, functions and duties of a listed company director, as well as the relevant statutes, the GEM Listing Rules and corporate governance practices. All Directors are also encouraged to attend relevant training courses provided by legal advisers and/or any appropriate institutions at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the trainings received by each of the Directors (including Directors' induction training) for the year ended 31 December 2025 and up to the date of this annual report are summarised as follows:

Name of Directors	Type of trainings
Mr. Liang Zihao	A, B
Mr. Wu Jianwei	A, B
Mr. Li Man Keung Edwin	A, B
Mr. Yip Shiu Hong	A, B
Mr. Ho Karl	A, B
Mr. Pan Wenyuan	A, B
Ms. Wu Yanyan	A, B
Mr. Koh Herbin Puay Teck	A, B
Ms. Ip Ka Lai	A, B
Mr. Li Michael Hankin <i>(Note 1)</i>	A, B
Ms. So Sze Wan Lisa	A, B
Mr. Tam Ka Hei Raymond	A, B
Ms. Yeung Pik Wah <i>(Note 2)</i>	A, B

*Note 1:* Appointed on 27 February 2025

*Note 2:* Resigned on 27 February 2025

A: attending seminars/conferences/forums/training sessions

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and Directors' duties and responsibilities

## COMPANY SECRETARY

Mr. Chu was appointed as the company secretary of the Company in 2019. His biographical details are set out in the section headed "Biographies of Directors and Senior Management" of this annual report. During the year ended 31 December 2025, Mr. Chu attended relevant professional training for not less than 15 hours in compliance with Rule 5.15 of the GEM Listing Rules.

## EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 11 and 12 to the consolidated financial statements in this annual report.

The remunerations of the Directors and senior management of the Group for the year ended 31 December 2025 fall within the following band:

Remuneration band	Number of directors and senior management
Nil to HK\$1,000,000	11
HK\$1,000,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$3,000,000	0
HK\$3,000,001 to HK\$4,000,000	0
HK\$4,000,001 to HK\$5,000,000	0
HK\$5,000,001 to HK\$6,000,000	2
HK\$6,000,001 to HK\$7,000,000	1
HK\$7,000,001 to HK\$8,000,000	0
HK\$8,000,001 to HK\$9,000,000	0
HK\$9,000,001 to HK\$10,000,000	0
HK\$10,000,001 to HK\$11,000,000	1

## EMOLUMENT POLICY

The Company's remuneration policy comprises primarily a fixed component (in the form of a base salary) and variable components (which include discretionary bonus and other merit payments), taking into account other factors such as their experience, level of responsibility, individual performance, the performance of the Group and general market conditions.

The Remuneration Committee will meet at least once every year to discuss remuneration-related matters (including the remuneration of Directors and senior management) and review the remuneration policy of the Group. It has been decided that Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

## **DIRECTORS' REMUNERATION**

The Directors' remuneration is determined by the Remuneration Committee with reference to Directors' duties, responsibilities and performance and the results of the Group. Particulars of the duties and responsibilities of the Remuneration Committee are set out in the paragraph headed "Remuneration Committee" of this Corporate Governance Report.

## **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Audit Committee and the Board have reviewed the Company's audited financial statements for the year ended 31 December 2025. The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The statement of the external auditor of the Company, D & PARTNERS CPA LIMITED, about its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 86 to 92.

We draw attention to note 3.1 in the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$115,207,000 during the year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets and total liabilities exceeded its total assets by HK\$46,689,000 and HK\$47,629,000 respectively. As stated in note 3.1, these events or conditions, along with other matters as set forth in note 3.1, indicate that material uncertainty exists that may cast significant doubt in the Company's ability to continue as a going concern. The auditors' opinion is not modified in respect of this matter.

The Group incurred net loss of approximately HK\$115,207,000 (2024: HK\$144,229,000) for the year ended 31 December 2025. As at 31 December 2025, the Group had accumulated losses of HK\$617,788,000 (2024: HK\$502,581,000). As at the same date, the Group's other borrowings and convertible note amounted to HK\$101,315,000 (2024: HK\$114,641,000) and HK\$83,498,000 (2024: HK\$74,426,000) respectively, while its cash and bank balances amounted to HK\$47,943,000 (2024: HK\$52,252,000) only.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 31 December 2025 and subsequently thereto up to the date when the consolidated financial statements are authorised for issue. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the Directors have adopted several measures together with other measures in progress at the date when the consolidated financial statements are authorised for issue, but not limited to, the followings:

- (a) As at 31 December 2025, the Group has another borrowing of approximately HK\$61,662,000 from Abax Asian Structured Private Credit Fund 2022, LP. Subsequently, the management of the Company signed the extension agreement on 18 March 2026 and both parties agreed to extend the other borrowings to 18 July 2027, the security and interest rate remain unchanged;
- (b) Mr. Wu Jianwei, Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Pan Wenyuan and Ms. Wu Yanyan, the controlling shareholders of the Group, have committed to provide continuous financial support to the Group as is necessary to enable the Group to meet its financial obligations as they fall due. Letter of support are obtained from Mr. Wu Jianwei, Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Pan Wenyuan and Ms. Wu Yanyan;
- (c) The Group continues to ramp up its EV charging stations network in Hong Kong. This strategic push is driven by the sharp rise in oil prices and the accelerating adoption of electric vehicles, with the number of registered EVs in Hong Kong surging significantly in recent years and EV market penetration reaching new highs. To strengthen its financial position, the Group is also implementing proactive measures to generate sustainable cash flow from operations. These include tighter control over capital expenditure and operating costs, which are expected to further enhance working capital and liquidity.
- (d) To eliminate net liability position, the Group is accelerating the completion of 1,000 EV charging stations in Thailand to trigger the conversion of the Convertible Notes to equity. Management projects that Spark will finalize construction of 640 stations by the fourth quarter of 2026, with the full 1,000-station rollout expected to be complete within 2027; and
- (e) The Group is actively pursuing additional sources of financing, including debt and equity instruments from existing and potential investors, to optimize its capital structure and lower overall financing costs. In this regard, the Group is also currently in active discussions with several financial institutions to secure new financing facilities.

The Directors, including members of the Audit Committee, 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 31 December 2025. They are of the opinion that, taking into account the abovementioned 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 31 December 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

### **EXTERNAL AUDITORS' REMUNERATION**

The Company engaged D & PARTNERS CPA LIMITED as its auditor for the year ended 31 December 2025. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the auditors. During the year ended 31 December 2025, the fees paid/payable to D & PARTNERS CPA LIMITED in respect of its audit services provided to the Group for the year ended 31 December 2025 amounted to HK\$1.1 million.

### **RISK MANAGEMENT AND INTERNAL CONTROL**

The Group maintains effective internal control and risk management systems. It consists, in part, of organizational arrangements with defined scopes of responsibility and delegation of authority, and comprehensive systems and control procedures in order to safeguard the investment of the Company's shareholders and the Group's assets at all times.

The Company recognises that good internal control and risk management are essential for the long-term and sustainable growth of a business. The Group has established a governance structure and the major responsibilities of each role of the structure. The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, and management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness and adequacy of these systems for the year ended 31 December 2025.

The Directors acknowledge that they have the overall responsibility for overseeing the Company's internal control, financial control and risk management system and shall monitor its effectiveness on an ongoing basis. A review of the effectiveness of the risk management and internal control systems has been conducted by the Board at least annually.

Aimed at providing reasonable assurance against material errors, losses or fraud, the Company has established risk management procedures which comprised the following steps:

- Identify risks: Identify major and significant risks that could affect the achievement of goals of the Group;
- Risk assessment: Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence; and
- Risk mitigation: Develop effective control activities to mitigate the risks.

Risk identification and assessment are performed or updated annually, and the results of risk assessment, evaluation and mitigation of each functions or operation are documented and communicated to the Board and the management for reviews.

The Group's risk management and internal control systems are, however, designed to manage rather than eliminate risks that would affect the achievement of business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

A review on the internal control systems of the Company, including financial, operational and compliance controls and risk management functions has been carried out by an independent consultancy company with staff in possession of relevant expertise to conduct an independent review.

The Audit Committee reviewed the internal control review report issued by the independent consultancy company on the Company's risk management and internal control systems in respect of the year ended 31 December 2025 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same.

The Group has yet to establish its internal audit function during the year ended 31 December 2025 as required under code provision D.2.5 of the Code. The Board and the Audit Committee have considered the internal control review report prepared by the independent consultancy company and communicated with the Company's external auditor in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems.

The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review and determine at least annually the need for an internal audit function.

Regarding procedures and internal controls for the handling and dissemination of inside information, certain measures have been taken from time to time to ensure that proper safeguards exist to prevent any breach of disclosure requirement in relation to the Group, which include the following:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- All employees are required to strictly adhere to the employment terms regarding the management of confidential information.
- Code names are assigned to confidential projects so that any reference to them would not be linked to the projects themselves to minimize possibilities of unintentional leakage.

In addition, all employees are required to strictly adhere to the rules and regulations regarding the management of inside information, including that all employees who, because of his/her office or employment, are likely to be in possession of inside information in relation to the Company, are required to comply with the Standard of Dealings.

### **THE SHAREHOLDERS' RIGHTS TO CONVENE AN EXTRAORDINARY GENERAL MEETING**

Pursuant to article 64 of the Articles, extraordinary general meetings shall be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner.

### **COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS**

The Company has adopted shareholders communication policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the shareholders as follows:

- (i) Corporate communications such as annual reports, interim reports, and circulars are issued in printed form and are available on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.cstl.com.hk](http://www.cstl.com.hk);
- (ii) Periodic announcements are published on the websites of the Stock Exchange and the Company;
- (iii) Corporate information is made available on the Company's website; and
- (iv) Annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The Company is dedicated to promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year ended 31 December 2025 and conclude that it is effective because some minority shareholders have personally approached the company and for relevant news.

#### **WHISTLEBLOWING POLICY**

The whistleblowing policy has been put in place for all employees and those who have business dealings with the Group (including customers and suppliers) to deal with concerns related to fraudulent or unethical acts or non-compliances with laws and the Group's policies that have or could have significant adverse financial, legal or reputational impacts on the Group. They may raise concerns about the possible improprieties in any matters related to the Group, in person or in writing to the company secretary of the Company who shall report to the chairman of the Audit Committee in confidence and anonymity. The chairman of the Audit Committee shall then determine the course of action to pursue, with power to delegate, with respect to the report.

#### **ANTI-CORRUPTION POLICY**

The Group has formulated its own anti-corruption policy to ensure the Directors and employees within the Group comply with the Hong Kong Prevention of Bribery Ordinance, the Criminal Law of the PRC, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC, where applicable. The policy sets out the integrity and conduct requirements and policies or controls in place which applies to all Directors and employees of the Group at all levels, and external parties doing business with the Group and those acting in an agency or fiduciary capacity on behalf of the Group (e.g., agents, consultants and contractors). The policy is reviewed from time to time to ensure that it remains appropriate.

## **PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD**

Shareholders may at any time send their enquiries and concerns to the Board in writing. Contact details are as follows:

Cornerstone Technologies Holdings Limited

Address: Office Units 1107 - 11, 11th Floor, New East Ocean Centre, No. 9 Science Museum Road, Kowloon, Hong Kong  
Tel: (852) 3793 4795  
Fax: (852) 2283 2283  
E-mail: info@cstl.com.hk

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant committees of the Board, where appropriate, to answer the shareholders' questions.

## **PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS BY SHAREHOLDERS**

Pursuant to article 113 of the Articles, no person (other than a retiring Director) shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the office of the branch share registrar and transfer office of the Company in Hong Kong no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days. The procedures for shareholders to propose a person for election as a Director is posted on the website of the Company.

## **CONSTITUTIONAL DOCUMENTS**

The second amended and restated memorandum and articles of association of the Company ("M&A") were adopted on 30 June 2023 to comply with the relevant provisions of the GEM Listing Rules. A copy of the M&A is posted on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cstl.com.hk](http://www.cstl.com.hk)).

There was no further change in the M&A during the year ended 31 December 2025.

# Report of the Directors

The board (the “Board”) of directors (the “Directors”) of Cornerstone Technologies Holdings Limited (the “Company”) presents herewith this report of the Directors together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is engaged in supplying EV integrated charging solutions, including central management system, hub for e-payment, load management system and license plate recognition system to electric vehicle and smart parking.

The principal activities of its major subsidiaries are set out in note 38 to the consolidated financial statements in this annual report.

## BUSINESS REVIEW AND FUTURE BUSINESS DEVELOPMENT

The business review and future business development of the Group for the year ended 31 December 2025 is set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report.

### Risks and uncertainties

Various financial risks have been disclosed in note 34 to the consolidated financial statements in this annual report.

### Environmental protection

The Group recognises its responsibility to protect the environment from its business activities. The Group has endeavored to comply with the laws and regulations regarding environmental protection and encourages environmental protection and promotes awareness towards environmental protections among our staff and employees.

### Compliance with laws and regulations

The Group recognises the importance of compliance with regulatory requirements and risks of non-compliance with such requirements. The Group has reviewed on an ongoing basis the newly enacted laws and regulations affecting the operations of the Group. Save as disclosed in the prospectus of the Company dated 30 April 2018 (the “Prospectus”), the Group is not aware of any material non-compliance with the laws and regulations that has a significant impact on the business of the Group during the year ended 31 December 2025. All of the non-compliance incidents as disclosed in the Prospectus that are capable of being rectified had been rectified.

## KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group maintains a good relationship with its customers. The sales personnel make regular phone calls to the customers and visit them periodically. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken.

The Group also maintains a good relationship with its suppliers. During the year ended 31 December 2025, no complaint was received from the suppliers, there were no disputed debts or unsettled debts and all the debts were settled on or before due dates or a later date as mutually agreed.

During the year ended 31 December 2025, there were no disputes on salary payments and all accrued remunerations were settled on or before their respective due dates, as stipulated under individual employees' employment contracts. The Group also ensures that all employees are reasonably remunerated by regular review of the policies on salary increment, promotion, bonus, allowances and all other related benefits.

In view of the above and as at the date of this annual report, there are no circumstances or any events which would have a significant impact on the Group's business.

## EMPLOYEES

The Group had 89 employees (including the Directors) as at 31 December 2025 (31 December 2024: 93 employees) in Hong Kong. In order to recruit, develop and retain talented employees, the Group offers competitive remuneration packages to its staff, including internal promotion opportunities and performance based bonus. The Group enters into standard employment contracts with its staff which contain provisions on intellectual property rights and confidentiality.

The Group also reviews the performance of its staff periodically and considers such review for staff's annual bonus, salary review and promotion appraisal. The Company has also adopted a share option scheme and a share award scheme, details of which are set out in the sections headed "Share Option Scheme" and "2025 Share Award Scheme" in this annual report.

The Group provides different trainings to each department from time to time to enhance their industry, technical and product knowledge, as well as their familiarity with industry quality standards and work safety standards.

The remuneration committee of the Company (the "Remuneration Committee") reviews the terms of remuneration packages, bonuses and other compensation payable to the Directors and the senior management personnel of the Group from time to time. The remunerations of the Directors, senior management and employees of the Group are generally determined with reference to their duties, responsibilities and performance.

## RESULTS AND APPROPRIATIONS

The financial results of the Group for the year ended 31 December 2025 and the financial positions of the Company and the Group as at 31 December 2025 are set forth in the audited consolidated financial statements on page 93 to 95 of this annual report.

## DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Articles of Association of the Company (the "Articles") and the distribution shall achieve continuity, stability and sustainability.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's earnings per share, the reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Group in their long-term development, the financial conditions and business plan of the Group, and the market sentiment and circumstances.

The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

The Board did not recommend the payment of final dividend for the year ended 31 December 2025 and the year ended 31 December 2024.

## FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out on page 200 of this annual report. This summary does not form part of the audited consolidated financial statements in this annual report.

## RESERVES

Movements in the reserves of the Group during the year ended 31 December 2025 and the year ended 31 December 2024 are set out in the consolidated statement of changes in equity on pages 96 and 97 of this annual report.

## DISTRIBUTABLE RESERVES

Details of movements during the year ended 31 December 2025 and the year ended 31 December 2024 in the reserves and reserves available for distribution to the Company's shareholders of the Group and the Company are set out on page 96 of this annual report and in note 40 to the consolidated financial statements. The Company did not have any distributable reserves as at 31 December 2025.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year ended 31 December 2025 and the year ended 31 December 2024 are set out in note 15 to the consolidated financial statements in this annual report.

## DONATIONS

During the year ended 31 December 2025, donations made by the Group amounted to HK\$23,888 (year ended 31 December 2024: HK\$22,800).

## SHARE CAPITAL

Details of movements in share capital of the Company during the year ended 31 December 2025 and year ended 31 December 2024 are set out in note 30 to the consolidated financial statements in this annual report.

## DIRECTORS

The Directors who held office during the year ended 31 December 2025 and up to the date of this annual report are as follows:

### Executive Directors

Mr. Liang Zihao (*Co-Chairman*)  
Mr. Wu Jianwei (*Co-Chairman*)  
Mr. Li Man Keung Edwin (*Vice Chairman*)  
Mr. Yip Shiu Hong (*Chief Executive Officer*)  
Mr. Ho Karl (*Chief Financial Officer*)  
Mr. Pan Wenyuan  
Ms. Wu Yanyan

### Non-Executive Director

Mr. Koh Herbin Puay Teck

### Independent Non-Executive Directors

Ms. Ip Ka Lai  
Mr. Li Michael Hankin (*Note 1*)  
Ms. So Sze Wan Lisa  
Mr. Tam Ka Hei Raymond  
Ms. Yeung Pik Wah (*Note 2*)

*Note 1:* Appointed on 27 February 2025

*Note 2:* Resigned on 27 February 2025

In accordance with the Articles, Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Pan Wenyuan and Mr. Tam Ka Hei Raymond will retire at the forthcoming annual general meeting, and all being eligible, will offer themselves for re-election as the Directors at the forthcoming annual general meeting.

#### **DIRECTORS' SERVICE CONTRACTS**

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has or is proposed to have a service agreement with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than the statutory compensation.

#### **BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT**

The biographical details of the Directors and senior management are disclosed in the section headed "Biographies of Directors and Senior Management" of this annual report.

#### **DIRECTORS' REMUNERATIONS**

Details of the remunerations of the Directors during the year ended 31 December 2025 are set out in note 11 to the consolidated financial statements in this annual report.

#### **INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all independent non-executive Directors are independent.

#### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in this annual report, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE**

Save as disclosed in this annual report, there was no transaction, arrangement or contract of significance to which the Company or any related companies (holding companies, subsidiaries, or fellow subsidiaries) was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at 31 December 2025 or at any time during the year ended 31 December 2025.

## **EQUITY-LINKED AGREEMENTS**

Save as disclosed herein, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company subsisting during or at the end of the year ended 31 December 2025.

## **MAJOR CUSTOMERS AND SUPPLIERS**

Revenue from the Group's five largest customers accounted for approximately 43.3% and revenue from the Group's largest customer amounted to approximately 29.7% of the total revenue for the year ended 31 December 2025, respectively. Purchases from the Group's five largest suppliers accounted for approximately 43.8% and purchases from the Group's largest supplier amounted to approximately 12.3% of the total purchases for the year ended 31 December 2025.

To the best knowledge of the Directors, neither the Directors, their close associates (as defined in the GEM Listing Rules), nor any shareholders (which to the knowledge of the Directors owned more than 5% of the Company's issued Shares), had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended 31 December 2025.

## **CONTINUING CONNECTED TRANSACTION (THE "TRANSACTIONS")**

### **Sale and Purchase Agreement and Master Agreement with Spark**

On 27 December 2024, the Company entered into the sale and purchase agreement (the "Sale and Purchase Agreement") with Spark, pursuant to which the Company agrees to sell and Spark agrees to purchase 74 electric vehicle charging equipments at the total consideration in the sum of USD 1,266,222.14 (approximately to HK\$9.8 million) in accordance with the terms and conditions of the Sale and Purchase Agreement (the "Connected Transaction").

On 26 February 2025, the Company entered into the master agreement (the "Master Agreement") with Spark relating to the purchases of electric vehicle charging equipments, operation software and installation of the electric vehicle charging equipments by Spark from the Company for a term commencing from 26 February 2025 and ending on 31 December 2027 (the "Continuing Connected Transactions"). Subsequently, the Company and Spark entered into the supplemental agreement (the "Supplemental Agreement") on 30 June 2025 to amend (i) the expiry date of the Master Agreement to 26 December 2027; and (ii) each of the periods under the proposed annual caps to the period from 26 February 2025 to 26 December 2025, the year ending 26 December 2026, and the year ending 26 December 2027 respectively.

The proposed annual caps (the “Proposed Annual Caps”) in respect of the transactions under the Master Agreement, the Supplemental Agreement and the Sale and Purchase Agreement (collectively, the “Agreements”) for each of the period/years ending 26 December 2025, 2026 and 2027 are HK\$160 million, HK\$160 million and HK\$140 million, respectively. The Proposed Annual Cap for the period ended 26 December 2025 has included the transaction amount of approximately HK\$9.8 million contemplated under the Connected Transaction.

Spark is a company indirect non-wholly owned as to 59.3% by Gaw Capital, which is a substantial shareholder of the Company upon exercising conversion of the convertible notes issued and to be issued by the Company in accordance with the terms of the convertible notes subscription agreement dated 20 September 2024. Accordingly, Spark is a connected person of the Company, and the transactions contemplated under the Agreements constitute continuing connected transactions and connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rules 20.79 and 20.80 of the GEM Listing Rules, as the transactions contemplated under the Master Agreement and the Sale and Purchase Agreement were entered into or completed within a 12-month period with Spark, a connected person of the Company, the transactions contemplated under the Master Agreement and the Sale and Purchase Agreement are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions contemplated under the Agreements. In addition, following such aggregation, the Continuing Connected Transactions will be deemed to start on 27 December 2024, which is the date of the Sale and Purchase Agreement.

The Transactions were approved by the Shareholders at the extraordinary general meeting of the Company dated 29 July 2025.

For details, please refer to the announcements of the Company dated 27 December 2024, 11 February 2025, 26 February 2025 and 30 June 2025 and the circular of the Company dated 11 July 2025.

The aggregate transaction amounts for the period from 26 February 2025 to 26 December 2025 and the period from 27 December 2025 to 31 December 2025 under the Master Agreement were HK\$29,470,000 (including the transaction amount of approximately HK\$9.8 million contemplated under the Connected Transaction) and HK\$11,965,000, respectively.

The independent non-executive Directors have reviewed the Continuing Connected Transactions in accordance with Rule 20.53 of GEM Listing Rules and confirmed that during the year such transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

D & PARTNERS CPA LIMITED, the Company's independent auditor, was engaged to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. D & PARTNERS CPA LIMITED issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transaction disclosed by the Group in this annual report in accordance with Rule 20.54 of the GEM Listing Rules.

### **CONNECTED AND RELATED PARTY TRANSACTION**

Save as the connected transactions disclosed in this annual report, there was no other connected transaction of the Company under Chapter 20 of the GEM Listing Rules, which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements.

Details of the related party transactions of the Group during the year ended 31 December 2025 are set out in note 36 to the consolidated financial statements of this annual report. None of these related party transactions are connected transactions which are subject to reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2025, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **DIVIDENDS**

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 December 2025.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

(I) Long position in shares or underlying shares of the Company

Name of Director	Capacity	Number of shares or underlying shares held	Percentage of issued voting shares
Mr. Wu Jianwei ("Mr. Wu")	Beneficial owner/Interest of controlled corporation	288,111,225 <i>(Note 1)</i>	27.69%
	Beneficial owner	10,400,000 <i>(Note 5)</i>	1.00%
Mr. Liang Zihao ("Mr. Liang")	Beneficial owner/Interest of controlled corporation	246,458,787 <i>(Note 2)</i>	23.69%
	Beneficial owner	10,400,000 <i>(Note 5)</i>	1.00%
Mr. Pan Wenyuan ("Mr. Pan")	Interest of controlled corporation	27,096,000 <i>(Note 3)</i>	2.60%
	Beneficial owner	6,000,000 <i>(Note 5)</i>	0.58%
Mr. Li Man Keung Edwin ("Mr. Li")	Beneficial owner/Interest of controlled corporations	104,104,613 <i>(Note 4)</i>	10.00%
	Beneficial owner	10,400,000 <i>(Note 5)</i>	1.00%

Name of Director	Capacity	Number of shares or underlying shares held	Percentage of issued voting shares
Ms. Wu Yanyan	Beneficial owner	77,540,446	7.45%
	Beneficial owner	6,000,000 <i>(Note 5)</i>	0.58%
Mr. Tam Ka Hei Raymond	Beneficial owner	1,040,000 <i>(Note 5)</i>	0.10%
Mr. Yip Shiu Hong	Beneficial owner	5,997,905	0.58%
	Beneficial owner	36,230,400 <i>(Note 6)</i>	3.48%
Mr. Ho Karl	Beneficial owner	18,115,200 <i>(Note 6)</i>	1.74%

*Notes:*

- 235,603,225 ordinary shares of the Company ("Shares") are held by Global Fortune Global Limited ("Global Fortune") which is owned as to 51% by Mr. Wu. Mr. Wu is deemed to be interested in the Shares in which Global Fortune is interested under the SFO. Mr. Wu also directly holds 52,508,000 Shares.
- 235,603,225 Shares are held by Global Fortune which is owned as to 49% by Mr. Liang. Mr. Liang is deemed to be interested in the Shares in which Global Fortune is interested under the SFO. Mr. Liang also directly holds 10,855,562 Shares.
- Mr. Pan owns 100% of the issued share capital of Silver Rocket Limited ("Silver Rocket"). Mr. Pan is deemed to be interested in the Shares in which Silver Rocket is interested under the SFO.
- 17,392,000 Shares and 72,000,000 Shares are held by Tanner Enterprises Group Limited ("Tanner Enterprises") and Glorytwin Limited ("Glorytwin") respectively. Mr. Li owns 100% of the issued share capital of Tanner Enterprises, which in turn owns 100% of the issued share capital of Glorytwin. Mr. Li is deemed to be interested in the Shares in which Tanner Enterprises and Glorytwin are interested under the SFO. Mr. Li also directly holds 14,712,613 Shares.
- These shares were the Shares which would be allotted and issued upon exercise in full of the share options granted to such Director under the Old Share Option Scheme.
- These shares were the Shares which would be allotted and issued upon vesting of the share award granted to such Director under the 2025 Share Award Scheme.

(II) Long position in shares or underlying shares of associated corporations

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity</b>	<b>Number of share(s) held</b>	<b>Percentage of issued voting shares</b>
Mr. Wu	Global Fortune	Beneficial owner	51	51%
Mr. Liang	Global Fortune	Beneficial owner	49	49%
Mr. Pan	Silver Rocket	Beneficial owner	1	100%
Mr. Li	Tanner Enterprises	Beneficial owner	1	100%

*Notes:*

1. Global Fortune is legally and beneficially owned as to 51% by Mr. Wu. Therefore, by virtue of the SFO, Mr. Wu is deemed to have the interest owned by Global Fortune.
2. Global Fortune is legally and beneficially owned as to 49% by Mr. Liang. Therefore, by virtue of the SFO, Mr. Liang is deemed to be have the interest owned by Global Fortune.
3. Silver Rocket is legally and beneficially owned as to 100% by Mr. Pan. Therefore, by virtue of the SFO, Mr. Pan is deemed to have the interest owned by Silver Rocket.
4. Tanner Enterprises is legally and beneficially owned as to 100% by Mr. Li. Therefore, by virtue of the SFO, Mr. Li is deemed to have the interest owned by Tanner Enterprises.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interest or short position in Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the interests and short positions of the substantial shareholders of the Company (other than the Directors and the chief executives of the Company) in the Shares and underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register to therein, were as follows:

Name of Substantial Shareholder	Capacity	Number of Shares	Percentage of issued voting shares
Global Fortune	Beneficial owner <i>(Note 1)</i>	235,603,225	22.64%
Tanner Enterprises	Beneficial owner/Interest of controlled corporation <i>(Note 2)</i>	89,392,000	8.59%
Glorytwin	Beneficial owner <i>(Note 2)</i>	72,000,000	6.92%
AASPCF2022 GP, LP	General Partner	100,000,000 <i>(Note 3)</i>	9.61%
Abax Asian Structured Private Credit Fund 2022, LP	Beneficial owner	100,000,000 <i>(Note 3)</i>	9.61%
Abax Global Capital	Interest of controlled corporation	100,000,000 <i>(Note 3)</i>	9.61%
Abax Global Capital GP 2022 Ltd.	General Partner	100,000,000 <i>(Note 3)</i>	9.61%
Yang Xiang Dong	Interest of controlled corporation	100,000,000 <i>(Note 3)</i>	9.61%
Gateway Capital (Hong Kong) Limited	Investment manager	79,704,000 <i>(Note 4)</i>	7.66%
Gaw Growth Equity Fund I GP Limited	Interest of controlled corporation	79,704,000 <i>(Note 4)</i>	7.66%
Gaw Growth Equity Fund I, LPF	Interest of controlled corporation	79,704,000 <i>(Note 4)</i>	7.66%

Name of Substantial Shareholder	Capacity	Number of Shares	Percentage of issued voting shares
Steady Flake Limited	Beneficial owner	79,704,000 (Note 4)	7.66%
Gaw Capital Growth Equity Fund (Flash) GP Limited	Interest of controlled corporation	400,000,000 (Note 5)	38.44%
Gaw Capital Growth Equity Fund (Flash) LPF	Interest of controlled corporation	400,000,000 (Note 5)	38.44%
Floryn Passie Limited	Beneficial owner	400,000,000 (Note 5)	38.44%

*Notes:*

- Global Fortune is legally and beneficially owned as to 51% and 49% by Mr. Wu and Mr. Liang respectively. Therefore, by virtue of the SFO, Mr. Wu and Mr. Liang are deemed to be interested in all the Shares held by Global Fortune.
- Glorytwin is legally and beneficially owned as to 100% by Tanner Enterprises. Therefore, by virtue of the SFO, Tanner Enterprises is deemed to be interested in all the Shares held by Glorytwin.
- 100,000,000 Shares of which represent the Shares which would be allotted and issue upon exercise in full of the warrants granted by the Company. Based on the notice of disclosure of interest filed by each of AASPCF2022 GP, LP ("AAS"), Abax Asian Structured Private Credit Fund 2022, LP, Abax Global Capital, Abax Global Capital GP 2022 Ltd. and Yang Xiang Dong, the 100,000,000 Shares were held by Abax Asian Structured Private Credit Fund 2022, LP ("Abax Asian"). AAS is acting as general partner of Abax Asian. Abax Global Capital GP 2022 Ltd. is acting as general partner of AAS. Abax Global Capital GP 2022 Ltd. is wholly owned by Abax Global Capital, which was owned as to 59.8% by Yang Xiang Dong. Therefore, by virtue of the SFO, each of AAS, Abax Global Capital GP 2022 Ltd., Abax Global Capital and Yang Xiang Dong was deemed to be interested in the interest of the 100,000,000 Shares held by Abax Asian.
- 9,000,000 Shares of which represent the Shares which would be allotted and issued upon exercise in full of the warrants granted by the Company.
- Shares will be allotted and issued upon the full conversion of the Tranche 1, Tranche 2, and Tranche 3 Convertible Notes, consisting of 191,200,000, 102,600,000, and 106,200,000 conversion shares, respectively. As of the date of this report, the Tranche 2 and Tranche 3 Convertible Notes have not yet been issued.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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.

## SHARE OPTION SCHEME

The existing share option scheme of the Company (the “Share Option Scheme”) was adopted by the Company at the extraordinary general meeting of the Company held on 12 December 2023 (the “Adoption Date”) and the previous share option scheme of the Company adopted on 19 April 2018 (the “Old Share Option Scheme”) was terminated on the same date. Options granted prior to the termination of the Old Share Option Scheme shall continue to be valid and exercisable in accordance with the Old Share Option Scheme.

The following is a summary of the major terms of the Share Option Scheme:

1. Purpose of the Share Option Scheme

The purpose of our Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company.

2. Eligible Participants

Eligible Participants include the Employee Participants, the Service Providers and Related Entity Participants. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- i. with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment, length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- ii. with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group.

3. Grant and Acceptance of Option

An offer shall remain open for acceptance by the Participants concerned from the date of grant provided that no such offer shall be open for acceptance after the expiry of the effective period of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions hereof. An Offer may not be accepted unless the Eligible Participant remains an eligible person on acceptance.

The offer shall specify the terms on which the option is granted. At the discretion of the Board, such terms may include, among other things, the minimum period for which an option must be held before it can be exercised.

A consideration of HK\$1.00 is payable to the Company by the Participant who accepts an offer (the “Grantee”) for each acceptance of grant of option(s) and such consideration is not refundable.

4. Subscription Price of Shares

The subscription price shall be determined by the Board in its absolute discretion, provided that it must be at least the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) the nominal value of the Shares.

5. Maximum Number of Shares

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the Adoption Date (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

The maximum number of Shares issued and to be issued upon exercise of the options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding options) under the Share Option Scheme in any 12-month period up to date of grant must not exceed 1% of the Shares in issue.

6. Time of Exercise of Options

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

7. Period of Share Option Scheme

The Share Option Scheme was adopted for a period of ten years commencing from 12 December 2023. As at the date of this report, the remaining life of the Share Option Scheme was approximately 7.7 years.

For more details on the Share Option Scheme, please refer to Appendix III to the circular of the Company dated 22 November 2023.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the Adoption Date and at the date of this report.

The number of share options available for grant under the Share Option Scheme as at 1 January 2025 and 31 December 2025 was 88,623,939 and 1,158,339, respectively.

A total of 1,158,339 Shares are available for issue under the Share Option Scheme, representing approximately 0.11% of the Company's total number of issued Shares as at the date of this annual report.

Pursuant to the Old Share Option Scheme, no share options (2024: Nil) were granted to eligible participants of the Group during the year ended 31 December 2025. The movements of share options under the Old Share Option Scheme during the year ended 31 December 2025 are as follows:

Category/ Name of grantees	Date of grant	Exercise price (HK\$)	Vesting date	Exercise period	Number of share options					Balance as at 31 December 2025
					Balance as at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	
<b>Directors</b>										
Liang Zihao	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Li Man Keung Edwin	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Wu Jianwei	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Wu Yanyan	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Pan Wenyuan	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Tam Ka Hei Raymond	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000

## Report of the Directors

Category/ Name of grantees	Date of grant	Exercise price (HK\$)	Vesting date	Exercise period	Number of share options					Balance as at 31 December 2025
					Balance as at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	
<b>Ex-directors</b>										
Lau Wai Yan Lawson	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,100,000	-	-	-	-	1,100,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Yeung Chun Yue David	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Sam Weng Wa Michael	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Yuen Chun Fai	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000
Zhu Xiaohui	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000
Ko Shu Ki Kenneth	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000

Category/ Name of grantees	Date of grant	Exercise price (HK\$)	Vesting date	Exercise period	Number of share options					Balance as at 31 December 2025
					Balance as at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	
<b>Employees</b>										
In aggregate	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,916,000	-	-	-	-	1,916,000
In aggregate	28 January 2021	0.54	1 April 2022	1 April 2022 to 27 January 2031	1,116,000	-	-	-	-	1,116,000
In aggregate	17 June 2022	0.85	17 June 2023	17 June 2023 to 16 June 2032	1,300,000	-	-	-	-	1,300,000
In aggregate	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	3,600,000	-	-	-	-	3,600,000
<b>Senior Management</b>										
In aggregate	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	1,200,000	-	-	-	-	1,200,000
<b>Consultants</b>										
In aggregate	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,760,000	-	-	-	-	1,760,000
In aggregate	17 June 2022	0.85	17 June 2023	17 June 2023 to 16 June 2032	300,000	-	-	-	-	300,000
In aggregate	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	3,000,000	-	-	-	-	3,000,000
<b>Total</b>					80,652,000	-	-	-	-	80,652,000

*Notes:*

1. The weighted average closing price of the shares immediately before the date on which the options were exercised was Nil.
2. The number of Shares that may be issued in respect of the share options granted during the year ended 31 December 2025 divided by the weighted average number of Shares in issue for the year ended 31 December 2025 was Nil.
3. The details of the valuation of options granted under the Old Share Option Scheme is set out in in note 31 to the consolidated financial statements in this annual report.

Further details of the movements of the share option during the year ended 31 December 2025 is set out in note 31 to the consolidated financial statements in this annual report.

## **2025 SHARE AWARD SCHEME**

The existing share award scheme of the Company (the “2025 Share Award Scheme”) was adopted by the Company at the annual general meeting of the Company held on 30 June 2025 (the “Award Scheme Adoption Date”).

### **1. Purpose**

The purpose of the 2025 Share Award Scheme is to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants through aligning the interests of Eligible Participants with those of the Company and Shareholders by providing them with an opportunity to acquire proprietary interests in the Company and become Shareholders, and thereby encouraging Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

### **2. Awards**

Awards granted under the 2025 Share Award Scheme shall be funded by new Shares.

Any grant of Awards under the 2025 Share Award Scheme shall be subject to the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the Awards.

### **3. Duration**

Subject to any early termination as may be determined by the Board pursuant to the terms thereof, the 2025 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date and ending on the 10th anniversary of the Award Scheme Adoption Date.

As at the date of this report, the remaining life of the 2025 Share Award Scheme was approximately 9.3 years.

#### 4. Eligible Participants

The Eligible Participants under the 2025 Share Award Scheme comprise Employee Participants only. An Employee Participant is a person who is an employee (whether full-time or part-time), director or officer of any member of the Group on the Grant Date, including persons who are granted Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group, provided that a person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment amongst members of the Group or any successor, and provided further that a person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment. In assessing the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including, among others (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their contribution expected to be made to the growth of the Group with reference to their historical contribution; (iv) their length of engagement or employment with the Group; and (v) their educational and professional qualifications, and knowledge in the industry.

#### 5. Vesting Period

Save for certain specific circumstances set out in the section headed “Vesting Period” in Appendix III to the circular (the “Circular”) of the Company dated 6 June 2025, an Award must be held for at least 12 months before it vests in order to incentivise the Grantees to remain with the Group.

The Board considers that such circumstances allow flexibility for the Company to (i) provide competitive terms to attract and induce valuable talent to join the Group; (ii) address instances where the 12-month vesting period requirement would not be practicable or fair due to administrative or technical reasons; (iii) reward exceptional performers with accelerated vesting; and (iv) motivate Employee Participants based on performance metrics rather than time-based vesting criteria. Therefore, the Board is of the view that the vesting period requirements (including the circumstances in which a shorter vesting period may apply) are appropriate and align with the purpose of the 2025 Share Award Scheme.

6. Performance Targets

The Scheme Administrator may in respect of each Award and subject to all applicable laws, rules and regulations determine such performance targets or other criteria or conditions for vesting of Awards in its sole and absolute discretion on a case-by-case basis. Any such performance targets, criteria or conditions shall be set out in the Award Letter.

The performance targets refer to any performance measures, or derivations of such performance measures that may be related to the individual Grantee or the Group as a whole, or to a subsidiary, division, department, region, function or business unit of the Company. The following general factors will be taken into account when deciding the performance targets to be attached to an Award, including but not limited to (i) the financial results, operation performance, business growth or other indicators of the Group (or any of its segments); and (ii) the contribution, work performance as well as other specific personal factors of the individual Grantee that the Scheme Administrator may consider relevant. The performance targets will be assessed periodically, on an absolute basis or a relative basis (such as relative to a pre-established target, to previous year's results or to a designated comparison group), in each case as specified by the Scheme Administrator in its sole discretion.

Such performance targets serve as an incentive for Eligible Participants to work towards the development of the Group and align their interests, through contributions in meeting the performance targets, with the interests of the Group in line with the purpose of the 2025 Share Award Scheme.

7. Clawback Mechanism

Under the terms of the 2025 Share Award Scheme, where certain events as set out in the section headed "Clawback" in Appendix III to the Circular arise, the Scheme Administrator may determine that, with respect to a Grantee, Awards granted but not yet vested shall immediately lapse, and with respect to any Shares delivered to the Grantee, the Grantee be required to transfer the same value, whether in Shares and/or cash, back to the Company (or its nominee). These circumstances are:

- (a) a Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contractual engagement with the Group for cause or without notice, or as a result of being charged/penalised/convicted of an offence involving the Grantee's integrity or honesty;
- (b) a Grantee has engaged in serious misconduct or breaches the terms, including with respect to a policy or code of or other agreement with the Group, which is considered to be material; or
- (c) the Award to the Grantee will no longer be appropriate and aligned with the purpose of the 2025 Share Award Scheme.

The Directors are of the view that the above clawback mechanism enables the Company to clawback Awards (or the underlying Shares) received by those Grantees that have, for example, seriously violated the policies of the Group, put the Group into disrepute, adversely harmed the Group, or otherwise exposed the Group to significant risk. In these circumstances, the Company would not consider it in the Company or the Shareholders' best interests to incentivise them with proprietary interests of the Company under the 2025 Share Award Scheme, nor would the Company consider such Grantees benefiting under the 2025 Share Award Scheme to be in alignment with the purpose of the 2025 Share Award Scheme. As such, the Company considers this clawback mechanism appropriate and reasonable.

8. Scheme Mandate Limit

The total number of Shares that may be issued pursuant to all Awards to be granted under this 2025 Share Award Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 10% of the Shares in issue (excluding treasury shares) as at the Award Scheme Adoption Date, being 95,357,539 shares.

The number of awards available for grant under the scheme mandate limit as of 31 December 2025 and the date of this report was 1,158,339, representing approximately 0.11% of the Shares in issue (excluding treasury shares) as at the date of this report.

9. Maximum Entitlement of each Participant

Unless approved by the Shareholders in the manner set out herein, the total number of Shares issued and to be issued in respect of all Awards granted under the 2025 Share Award Scheme together with all options and awards granted under any other share schemes of the Company to each Eligible Participant (excluding any options and awards lapsed) in any 12-month period up to and including the date of such grant shall not exceed 1% of the total number of Shares in issue (excluding Treasury Shares) on the date of such grant. Any further grant of Awards to an Eligible Participant which would exceed this limit shall be subject to the relevant requirements in the GEM Listing Rules, including:

- (a) separate approval of the Shareholders in general meeting with the relevant Eligible Participant and their close associates (or associates if the relevant Eligible Participant is a connected person) abstaining from voting;
- (b) a circular shall be sent to the Shareholders disclosing the information required to be disclosed under the GEM Listing Rules; and
- (c) the number and terms of the Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval is sought.

During the year ended 31 December 2025, the details of the changes in the Awards granted under the 2025 Share Award Scheme are set out below:

Category/ Name of grantees	Date of grant	Vesting date	Fair value at the date of grant	Number of Award Shares					Unvested as at 31 December 2025
				Unvested as at 1 January 2025	Granted during the year	Vested during the year Note 2	Lapsed during the year	Cancelled during the year	
<b>DIRECTORS</b>									
Yip Shiu Hong	29 July 2025	Note 1	Note 6	-	36,230,400	9,057,600	-	-	27,172,800
Ho Karl	29 July 2025	Note 1	Note 6	-	18,115,200	4,528,800	-	-	13,586,400
<b>SENIOR MANAGEMENT</b>									
Ng Sze Chun	29 July 2025	Note 1	Note 6	-	18,115,200	4,528,800	-	-	13,586,400
<b>DIRECTOR OF SUBSIDIARIES</b>									
Lau Wai Yan Lawson	29 July 2025	Note 1	Note 6	-	21,738,400	5,434,600	-	-	16,303,800
<b>Total</b>				-	94,199,200	23,549,800	-	-	70,649,400

*Notes:*

- Vesting of the Awards is subject to the fulfillment of the performance targets by the Company. 12.5% of the Awards will be vested immediately upon each respective performance target set out in the circular of the Company dated 2 December 2025 is achieved. In this regard, the vesting period of the Awards granted is less than 12 months. Having considered grants of Awards which are subject to performance-based vesting conditions in lieu of time-based vesting criteria pursuant to the 2025 Share Award Scheme, the principal terms of which are set out in Appendix III to the Circular, the Remuneration Committee is of the view that the vesting period of the Awards is appropriate.
- All Shares have been vested but not yet been issued to the grantee.
- In the event that (a) a Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or contractual engagement with the Group for cause or without notice, or as a result of being charged/penalised/convicted of an offence involving the Grantee's integrity or honesty; (b) a Grantee has engaged in serious misconduct or breaches the terms, including with respect to a policy or code of or other agreement with the Group, which is considered to be material; or (c) the Award to the Grantee will no longer be appropriate and aligned with the purpose of the 2025 Share Award Scheme, then the Scheme Administrator may make a determination at its absolute discretion that (A) any Awards issued to that Grantee but not yet vested shall immediately lapse, regardless of whether such Awards have vested or not, (B) with respect to any Award Shares issued or transferred to that Grantee, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares, (2) an amount in cash equal to the market value of such Shares, or (3) a combination of (1) and (2), and/or (C) with respect to any Award Shares held by the trustee of the 2025 Share Award Scheme for the benefit of the Grantee, those Award Shares shall no longer be held on trust for nor inure to the benefit of the Grantee.

4. The closing price of the Company's shares immediately before the grant of share awards on 29 July 2025 were HK\$0.460 per share.
5. Under the 2025 Share Award Scheme, no purchase price is required to be paid by grantees.
6. Details of the calculation of the fair value of the share awards are set out in note 31 to the consolidated financial statements in this annual report.
7. The weighted average closing price of the shares immediately before the date on which the awards were vested was Nil.
8. The number of Shares that may be issued in respect of the awards granted during the year ended 31 December 2025 divided by the weighted average number of Shares in issue for the year ended 31 December 2025 was approximately 9.72%.
9. A total of 95,357,539 Shares are available for issue under the 2025 Share Award Scheme, representing approximately 9.16% of the Company's total number of issued Shares as at the date of this annual report.
10. The details of the valuation of awards granted under the 2025 Share Award Scheme is set out in in note 31 to the consolidated financial statements in this annual report.

## **INTERESTS IN COMPETING BUSINESS**

For the year ended 31 December 2025, none of the Directors or any of their respective close associates (as defined under the GEM Listing Rules) were engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor were they aware of any other conflicts of interest which any such persons had or may have with the Group.

## **DIRECTORS' EMOLUMENT POLICY**

The Remuneration Committee has been established for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group having regard to the Group's operating results, individual performance and comparable market standard and practices annually. The Company has adopted a Share Option Scheme as an incentive to the Directors and eligible employees, details of which are set out in the section headed "Share Option Scheme" and 2025 Share Award Scheme of this annual report.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report of this annual report.

### **SUFFICIENCY OF PUBLIC FLOAT**

As at the date of this report and based on publicly available information and the best knowledge of the Directors, the Company had sufficient public float as required under Rule 17.38A of the GEM Listing Rules.

### **PERMITTED INDEMNITY PROVISION**

Pursuant to the Articles, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done concurred in or omitted in or about the execution of their duty or supposed duty in their offices, except such (if any) as they shall incur or sustain through their own fraud or dishonesty. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

### **AUDITOR**

There was no change in the auditor of the Company in the preceding 3 years.

D & PARTNERS CPA LIMITED will retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint D & PARTNERS CPA LIMITED as the auditor of the Company will be proposed at the forthcoming annual general meeting.

### **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this annual report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this report.

On behalf of the Board

Liang Zihao  
*Co-Chairman*

Hong Kong, 30 March 2026

# Independent Auditor's Report



To the Shareholders of  
**Cornerstone Technologies Holdings Limited**  
*(incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Cornerstone Technologies Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 93 to 199, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3.1 in the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$115,207,000 during the year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets and total liabilities exceeded its total assets by HK\$46,689,000 and HK\$47,629,000 respectively. As stated in note 3.1, these events or conditions, along with other matters as set forth in note 3.1, indicate that material uncertainty exists that may cast significant doubt in the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**KEY AUDIT MATTERS** *(Continued)*

Key audit matter	How our audit addressed the key audit matter
<p><b><i>Impairment assessment of goodwill, property, plant and equipment and right-of-use assets of electric vehicles charging business and other intangible assets</i></b></p> <p><i>Refer to note 18 to the consolidated financial statements.</i></p> <p>We identified the valuation of goodwill, property, plant and equipment and right-of-use assets of electric vehicles charging business and other intangible assets as a key audit matter due to the complexity and significant judgments involved in the management's impairment assessment process.</p> <p>As detailed in the note 18 to the consolidated financial statements, in determining the amount of impairment for goodwill, property, plant and equipment and right-of-use assets of electric vehicles charging business and other intangible assets requires an estimation of the recoverable amount, which is the value in use of the cash-generating units ("CGU") to which goodwill, property, plant and equipment, right-of-use assets of electric vehicles charging business and other intangible assets has been allocated and the Group engaged an independent external valuer to perform such valuation. The value in use is based on cash flow forecast of the CGU of the electric vehicles charging business and take into account the key assumptions used by management which including discount rate adopted for cashflow forecast and growth rate of revenue.</p> <p>Based on the managements' assessment, no impairment losses of goodwill, property, plant and equipment and right-of-use assets of electric vehicles charging business and other intangible assets were recognised in profit or loss respectively, during the year ended 31 December 2025 (2024: Nil).</p>	<p>Our procedures in relation to impairment assessment of goodwill, property, plant and equipment, other intangible assets and right-of-use assets included:</p> <ul style="list-style-type: none"> <li>(a) Understood how the management perform impairment assessment including the preparation of cash flow forecast and assumptions estimation;</li> <li>(b) Evaluated the independent external valuer's qualification, capabilities and objectivity;</li> <li>(c) Evaluated the appropriateness of the value in use valuation model and checked its mathematical accuracy;</li> <li>(d) Evaluated the appropriateness of the key assumptions used in the cash flow forecast, including discount rate, growth rate of revenue by discussing with the management with reference to their expectations for market development and compared with the most recent financial performance available; and</li> <li>(e) Evaluated the historical accuracy of the cash flow forecast and actual performance for the year and future prospect from the CGU.</li> </ul>

**KEY AUDIT MATTERS** *(Continued)*

Key audit matter	How our audit addressed the key audit matter
<p><b><i>Valuation of investment in an associate</i></b></p> <p><i>Refer to note 19 to the consolidated financial statements</i></p> <p>As at 31 December 2025, the Group holds a 35.58% interest in Spark EV Company Limited (the "associate"), accounted for using the equity method with a carrying amount of approximately of HK\$69,028,000.</p> <p>We have identified the valuation of investment in an associate as a key audit matter because the amounts involved are significant and the significant management judgement involved in determining the value-in-use prepared based on future discounted cash flows. The judgement focuses on utilisation rate, and discount rate. All these factors are with estimation uncertainties and may impact the results of the impairment assessments.</p> <p>Management performed assessment at the end of each reporting period whether there is any indication that the investment in an associate may be impaired. Should indication of impairment exists, an impairment assessment will be performed accordingly.</p> <p>The recoverable amounts of the investment in an associate are measured at value-in-use which are based on future discounted cash flows on a cash generating unit basis.</p> <p>Management has concluded that there was no impairment in respect of the investment in an associate as at 31 December 2025 (2024: Nil).</p>	<p>Our procedures in relation to valuation of investment in an associate included:</p> <ul style="list-style-type: none"> <li>(a) Assessed the appropriateness of the management's accounting for interests in an associate;</li> <li>(b) Obtained an understanding of the management's assessment process of impairment of investment in an associate;</li> <li>(c) Evaluated the appropriateness of the valuation methodology used for the impairment assessment;</li> <li>(d) Compared the current year's actual results with prior year's budgets, where applicable, to consider whether any past forecast including any assumptions, with hindsight, had been aggressive; and</li> <li>(e) Assessed and challenged the reasonableness of key inputs and assumptions used by management in their estimation of recoverable amounts, including projections of cash flows, utilisation rate and discount rates applied; and comparing cash flow projections to supporting evidence, and evaluating the reasonableness of supporting evidence with reference to the future prospects of an associate as well as our knowledge of the industry and business;</li> </ul>

**KEY AUDIT MATTERS** *(Continued)*

Key audit matter	How our audit addressed the key audit matter
<p><b><i>Going concern</i></b></p> <p><i>Refer to note 3.1 to the consolidated financial statements</i></p> <p>In assessing whether the financial statements should have been prepared on the going concern basis, the management were required to consider all available information about the future for a period of 12 months from the date of approval of the financial statements.</p> <p>The Group incurred net loss of approximately HK\$115,207,000 (2024: HK\$144,229,000) for the year ended 31 December 2025. As at 31 December 2025, the Group had accumulated losses of HK\$617,788,000 (2024: HK\$502,581,000). As at the same date, the Group's other borrowings and Convertible Note amounted to HK\$101,315,000 (2024: HK\$114,641,000) and HK\$83,498,000 (2024: HK\$74,426,000) respectively, while its cash and bank balances amounted to HK\$47,943,000 (2024: HK\$52,252,000) only.</p> <p>As detailed in the note 3.1 to the consolidated financial statements, these conditions indicate the existence of challenges regarding the Group's liquidity. The Directors have prepared a cash flow forecast to support the going concern basis, which includes assumptions about future financing, and operational improvements.</p> <p>We identified the going concern assessment as a key audit matter due to the significant level of judgment involved in estimating future cash flows and the uncertainty surrounding the Group's ability to secure additional funding or successfully renew existing obligations.</p>	<p>Our procedures in relation to going concern assessment included:</p> <ul style="list-style-type: none"> <li>(a) Evaluated whether events or conditions exist that may cast significant doubt on the entity's ability to continue as a going concern;</li> <li>(b) Inquired and evaluating management's plans for future actions in relation to its going concern assessment with written supporting evidence, such as extension agreement of other borrowing, letter of support, fund prove from substantial shareholders, if any;</li> <li>(c) Obtained the going concern cash flow forecast and understood the underlying process used to determine the going concern cash flow forecast;</li> <li>(d) Challenged the recovery assumptions in the forecast against external economic forecasts, as well as other relevant information about respective markets that may contradict management's assessment;</li> <li>(e) Evaluated the feasibility and timing of management's proposed future mitigating actions, ensuring they are within the Group's control;</li> <li>(f) Reviewed the adequacy of the disclosures in the financial statements to ensure they appropriately reflect the risks and judgments involved.</li> </ul>

## **OTHER INFORMATION**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

*(Continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lau, Ming Tak Simeon (practising certificate number: P07579).

### **D & PARTNERS CPA LIMITED**

*Certificated Public Accountants*

2201, 22/F., West Exchange Tower

322 Des Voeux Road Central

Sheung Wan, Hong Kong

30 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	5	125,214	153,126
Cost of services		(94,145)	(125,846)
<b>Gross profit</b>		31,069	27,280
Other income	6	192	194
Gain on disposal of subsidiaries, net	37	—	4
Other losses related to Convertible Note	7	(10,971)	(73,093)
Administrative and other operating expenses		(65,438)	(68,492)
Share-based payment expenses		(19,766)	—
Depreciation and amortisation		(18,900)	(16,044)
Share of loss of an associate		(9,127)	(70)
Finance costs	8	(22,441)	(14,182)
<b>Loss before tax</b>		(115,382)	(144,403)
Income tax credit	9	175	174
<b>Loss for the year</b>	10	(115,207)	(144,229)
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income of an associate		2,625	—
<b>Total comprehensive expense</b>		(112,582)	(144,229)
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted (HK cents)	14	(11.89)	(15.77)

# Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	15	83,247	74,977
Right-of-use assets	16	3,336	5,078
Other intangible assets	17	32,442	31,454
Goodwill	18	30,080	30,080
Investment in an associate	19	69,028	75,530
Deposits	22	5,363	6,067
Deferred tax assets	29	13,164	12,001
		<b>236,660</b>	<b>235,187</b>
<b>Current assets</b>			
Inventories	20	6,797	6,184
Contract assets	21	1,615	15,819
Trade and other receivables, prepayments and deposits	22	30,460	67,229
Bank balances and cash	23	47,943	52,252
		<b>86,815</b>	<b>141,484</b>
<b>Current liabilities</b>			
Contract liabilities	21	18,555	3,601
Trade and other payables	24	49,874	75,084
Other borrowings	25	61,662	16,023
Lease liabilities	27	3,413	2,738
		<b>133,504</b>	<b>97,446</b>
<b>Net current (liabilities)/assets</b>		<b>(46,689)</b>	<b>44,038</b>
<b>Total assets less current liabilities</b>		<b>189,971</b>	<b>279,225</b>

## Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities	27	154	2,602
Provisions	28	1,207	1,207
Other borrowings	25	39,653	98,618
Convertible Note	26	83,498	74,426
Derivative liability of Convertible Note	26	99,246	88,275
Deferred tax liabilities	29	13,842	12,854
		<b>237,600</b>	277,982
<b>NET (LIABILITIES)/ASSETS</b>			
		<b>(47,629)</b>	1,243
<b>Capital and reserves</b>			
Share capital	30	10,406	9,536
Reserves		<b>(58,035)</b>	(8,293)
<b>TOTAL EQUITY</b>			
		<b>(47,629)</b>	1,243

The consolidated financial statements on pages 93 to 199 were approved and authorised for issue by the Board of Directors on 30 March 2026 and signed on its behalf by

**Liang Zihao**  
Director

**Li Man Keung Edwin**  
Director

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company							Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Reserves			Total HK\$'000	Non-controlling interests HK\$'000 (Note ii)	
			Share-based payments reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000			
<b>At 1 January 2024</b>	8,862	354,153	100,906	–	(358,477)	105,444	(8)	105,436
Issue of shares pursuant to share subscription (Note iii)	196	15,805	–	–	–	16,001	–	16,001
Issue of shares pursuant to share placement (Note iv)	478	23,599	–	–	–	24,077	–	24,077
Transaction cost attribute to issue of shares	–	(50)	–	–	–	(50)	–	(50)
Cancelled of shares pursuant to share option scheme	–	–	(125)	–	125	–	–	–
Loss and total comprehensive expense for the year	–	–	–	–	(144,229)	(144,229)	–	(144,229)
Disposal of subsidiaries (note 37)	–	–	–	–	–	–	8	8
<b>At 31 December 2024</b>	<b>9,536</b>	<b>393,507</b>	<b>100,781</b>	<b>–</b>	<b>(502,581)</b>	<b>1,243</b>	<b>–</b>	<b>1,243</b>
Issue of shares pursuant to the share subscription (note v)	321	15,703	–	–	–	16,024	–	16,024
Issue of shares pursuant to the share placement (note vi)	237	13,272	–	–	–	13,509	–	13,509
Issue of shares pursuant to the share subscription (note vii)	192	10,752	–	–	–	10,944	–	10,944
Issue of warrant shares (note viii)	120	5,880	–	–	–	6,000	–	6,000
Transaction costs attribute to issue of shares	–	(2,533)	–	–	–	(2,533)	–	(2,533)
Recognition of equity-settled share based payment	–	–	19,766	–	–	19,766	–	19,766
Loss for the year	–	–	–	–	(115,207)	(115,207)	–	(115,207)
Share of other comprehensive income of an associate	–	–	–	2,625	–	2,625	–	2,625
<b>At 31 December 2025</b>	<b>10,406</b>	<b>436,581</b>	<b>120,547</b>	<b>2,625</b>	<b>(617,788)</b>	<b>(47,629)</b>	<b>–</b>	<b>(47,629)</b>

\* Represent the amount less than HK\$1,000

## Consolidated Statement of Changes in Equity

*For the year ended 31 December 2025*

- Note i:* Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.
- Note ii:* As at 31 December 2024, the Group had the non-controlling interests ("NCI") arising from its 51% equity interest in a subsidiary of the Group, Cornerstone Technologies Golden Century Holdings Limited. The subsidiary was disposed during the year ended 31 December 2024. Details of disposal of a subsidiary are set out in note 37.
- Note iii:* On 17 May 2024, an aggregate of 19,516,000 subscription shares have been issued and allotted to the executive director of the Company at subscription price of HK\$0.82 per subscription share which pursuant to the terms and conditions of the subscription agreement.
- Note iv:* On 29 August 2024, an aggregate of 47,820,000 placing shares have been issued and allotted to the subscriber at placing price of HK\$0.53 per placing share which pursuant to the terms and conditions of the placing agreement.
- Note v:* On 22 September 2025, an aggregate of 32,046,008 subscription shares have been issued and allotted to two shareholders of the Company at subscription price of HK\$0.5 per subscription share which pursuant to the terms and conditions of the deed of settlement debt.
- Note vi:* On 12 November 2025, an aggregate of 23,736,000 placing shares have been issued and allotted to the subscriber at placing price of HK\$0.57 per placing share which pursuant to the terms and conditions of the placing agreement.
- Note vii:* On 18 November 2025, an aggregate of 19,200,000 subscription shares have been issued and allotted to subscribers of the Company at subscription price of HK\$0.57 per subscription share which pursuant to the terms and conditions of the subscription agreement.
- Note viii:* On 9 December 2025, 12,000,000 warrant shares have been issued and allotted to subscribers at subscription price of HK\$0.5 per subscription share which pursuant to the terms and conditions of the warrant subscription agreement.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(115,382)	(144,403)
Adjustments for:		
Depreciation of property, plant and equipment	10,938	9,098
Depreciation of right-of-use assets	3,481	2,901
Amortisation of other intangible assets	4,481	4,045
Gain on disposal of property, plant and equipment	(53)	-
Share of loss of an associate	9,127	70
Gain on termination of lease	(65)	-
Impairment loss (reversed)/recognised on trade receivables, net	(1,200)	89
Interest income	(62)	(110)
Finance costs	22,441	14,182
Share-based payment expenses	19,766	-
Loss on issue of Convertible Note	-	62,971
Fair value loss on derivative liability of Convertible Note	10,971	6,716
Gain on disposal of subsidiaries	-	(4)
<b>Operating cash flows before movements in working capital</b>	<b>(35,557)</b>	<b>(44,445)</b>
Increase in inventories	(613)	(61)
Decrease/(Increase) in contract assets	14,204	(1,599)
Decrease/(Increase) in trade and other receivables and deposits	38,696	(17,246)
Increase in contract liabilities	14,954	2,545
(Decrease)/Increase in trade and other payables	(25,372)	22,434
Cash generated from/(used in) operations	6,312	(38,372)
Interest received	11	72
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>6,323</b>	<b>(38,300)</b>

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(19,208)</b>	(38,208)
Proceed on disposal of property, plant and equipment	<b>53</b>	-
Purchase of other intangible assets	<b>(1,206)</b>	(1,291)
Development costs paid	<b>(4,263)</b>	(6,126)
Acquisition of investment in an associate	-	(75,600)
Net cash outflow on disposal of subsidiaries	-	(4)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(24,624)</b>	(121,229)
<b>FINANCING ACTIVITIES</b>		
New borrowings raised	-	53,624
Issue of Convertible Note, net of issuance costs	-	92,384
Repayment of lease liabilities	<b>(3,419)</b>	(2,715)
Proceeds from issue of shares	<b>30,473</b>	40,078
Transaction costs attributable to issue of shares	<b>(2,553)</b>	(50)
Receipt in advance for placing shares	-	16,005
Interest paid	<b>(10,509)</b>	(10,400)
Repayment to former director	-	(526)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>13,992</b>	188,400
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,309)</b>	28,871
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>52,252</b>	23,381
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>	<b>47,943</b>	52,252

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

Cornerstone Technologies Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 24 January 2017. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of placing and public offer on 11 May 2018. The registered office of the Company is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is situated at Office Units 1107-11, 11th Floor, New East Ocean Centre, No.9 Science Museum Road, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (hereinafter collectively referred to as the "Group") is principally engaged in the electric vehicles charging business in Hong Kong. The principal activities of its major subsidiaries are set out in note 38.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("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 consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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

For the year ended 31 December 2025

**2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)**

New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

The Group has not early applied the following amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendment to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

***HKFRS 18 Presentation and Disclosure in Financial Statements***

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules") and by the Hong Kong Companies Ordinance.

##### *Going concern assumptions*

The Group incurred net loss of approximately HK\$115,207,000 (2024: HK\$144,229,000) for the year ended 31 December 2025. As at 31 December 2025, the Group had accumulated losses of HK\$617,788,000 (2024: HK\$502,581,000). As at the same date, the Group's other borrowings and Convertible Note amounted to HK\$101,315,000 (2024: HK\$114,641,000) and HK\$83,498,000 (2024: HK\$74,426,000) respectively, while its cash and bank balances amounted to HK\$47,943,000 (2024: HK\$52,252,000) only.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The consolidated financial statements have been prepared on the assumptions that the Group will continue to operate as a going concern notwithstanding the conditions prevailing as at 31 December 2025 and subsequently thereto up to the date when the consolidated financial statements are authorised for issue. In order to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the directors of the Company have adopted several measures together with other measures in progress at the date when the consolidated financial statements are authorised for issue, but not limited to, the followings:

- (a) As at 31 December 2025, the Group has another borrowing of approximately HK\$61,662,000 from Abax Asian Structured Private Credit Fund 2022, LP. Subsequently, the management of the Company signed the extension agreement on 18 March 2026 and both parties agreed to extend the other borrowings to 18 July 2027, the security and interest rate remain unchanged;

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.1 Basis of preparation of consolidated financial statements *(Continued)*

##### ***Going concern assumptions (Continued)***

- (b) Mr. Wu Jianwei, Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Pan Wenyuan and Ms. Wu Yanyan, the controlling shareholders of the Group, have committed to provide continuous financial support to the Group as is necessary to enable the Group to meet its financial obligations as they fall due. Letter of support are obtained from Mr. Wu Jianwei, Mr. Liang Zihao, Mr. Li Man Keung Edwin, Mr. Pan Wenyuan and Ms. Wu Yanyan;
- (c) The Group continues to ramp up its EV charging stations network in Hong Kong. This strategic push is driven by the sharp rise in oil prices and the accelerating adoption of electric vehicles, with the number of registered EVs in Hong Kong surging significantly in recent years and EV market penetration reaching new highs. To strengthen its financial position, the Group is also implementing proactive measures to generate sustainable cash flow from operations. These include tighter control over capital expenditure and operating costs, which are expected to further enhance working capital and liquidity.
- (d) To eliminate net liability position, the Group is accelerating the completion of 1,000 EV charging stations in Thailand to trigger the conversion of the Convertible Notes to equity. Management projects that Spark will finalize construction of 640 stations by the fourth quarter of 2026, with the full 1,000-station rollout expected to be complete within 2027; and
- (e) The Group is actively pursuing additional sources of financing, including debt and equity instruments from existing and potential investors, to optimize its capital structure and lower overall financing costs. In this regard, the Group is also currently in active discussions with several financial institutions to secure new financing facilities.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.1 Basis of preparation of consolidated financial statements *(Continued)*

##### ***Going concern assumptions (Continued)***

The directors of the Company, including members of the audit committee, 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 31 December 2025. They are of the opinion that, taking into account the abovementioned 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 31 December 2025. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

#### 3.2 Material accounting policy information

##### ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Basis of consolidation (Continued)***

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

##### ***Goodwill***

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Goodwill (Continued)***

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

##### ***Investment in an associate***

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Investment in an associate (Continued)***

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Revenue from contracts with customers***

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Revenue from contracts with customers (Continued)***

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Revenue from sales of electric vehicle charging systems is recognised when control of the goods has transferred, being when the products are delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products. When the Group provides installation services for the sale of electric vehicle charging systems, the goods or services are highly related in which the Group would not be able to fulfil its promises by transferring each of the goods or services independently. Thus, installation services bundled together with the sale of electric vehicle charging systems are not considered distinct. Revenue from sales of goods is recognised when the control of the asset has been transferred to the customer, which is usually upon the installation services are completed.

Revenue from provision of installation services is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Revenue from contracts with customers (Continued)***

The Group provides installation services under contracts with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the Group is contractually required to perform the services at the customers specified sites that the customers simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue from provision of installation services is therefore recognised over time for each individual contract by using output method, i.e. on the basis of measurement of the value of services transferred to the customer to date. The measurement is based on surveys of installation services completed by the Group to date as certified by surveyors or other representatives appointed by the customers and adjusted by the estimated value of work performed but which is yet to be certified at each of the reporting date. The management of the Group considers that output method would faithfully depict the Group's performance towards satisfaction of performance obligation under HKFRS 15.

Revenue from electric vehicle charging income of electric vehicle charger is recognised over time as the performance obligation is satisfied when the customer receives and uses the benefits simultaneously.

Revenue from maintenance services is recognised when services are rendered to the customer.

Revenue from rental services is recognised over time as the performance obligation is satisfied when the customer receives and uses the benefits simultaneously.

Revenue from EV charging consultancy service is recognised over time as the performance obligation is satisfied when the customer receives and uses the benefits simultaneously.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Leases***

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### *Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### *The Group as a lessee*

##### Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Leases** *(Continued)*

##### *The Group as a lessee (Continued)*

##### Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Leases** *(Continued)*

##### *The Group as a lessee (Continued)*

##### Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

##### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Leases** *(Continued)*

##### *The Group as a lessee (Continued)*

##### Lease liabilities *(Continued)*

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

##### Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Leases (Continued)*

##### *The Group as a lessee (Continued)*

##### *Lease modifications (Continued)*

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

##### *The Group as a lessor*

##### Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

##### Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

##### Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Foreign currencies***

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

##### ***Borrowing costs***

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### ***Equity-settled share-based payment transactions***

###### *Share awards/Share options granted to directors and employees*

Equity-settled share based payments to directors and employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Equity-settled share-based payment transactions (Continued)***

###### *Share awards/Share options granted to directors and employees (Continued)*

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

When share awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share capital.

###### *Shares/Share options granted to non-employees*

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

##### ***Retirement benefit costs***

Payments to the Mandatory Provident Fund Scheme (“MPF Scheme”) as defined contribution retirement schemes in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions. The assets of the scheme are held separately from those of the Group in an independently administered fund.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Retirement benefit costs (Continued)***

For long services payment (the “LSP”) obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

##### ***Short-term employee benefits***

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

##### ***Taxation***

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Taxation** *(Continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Property, plant and equipment***

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

##### ***Intangible assets***

###### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Intangible assets (Continued)***

##### *Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Intangible assets (Continued)***

##### *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

##### ***Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill***

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Impairment on property, plant and equipment, right-of-use assets, and intangible assets other than goodwill (Continued)***

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Cash and cash equivalents***

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts, if applicable, are presented as short-term borrowings in the consolidated statement of financial position.

##### ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

##### ***Reinstatement provisions***

Provision for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets, estimates are regularly reviewed and adjusted as appropriate for new circumstances.

##### ***Financial instruments***

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Financial instruments (Continued)***

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### ***Financial assets***

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Financial instruments** *(Continued)*

##### *Financial assets (Continued)*

##### Classification and subsequent measurement of financial assets *(Continued)*

##### Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

##### Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, contract assets, amounts due from an associate, deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Financial instruments** *(Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually for debtors and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which cases the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Financial instruments** *(Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

(i) Significant increase in credit risk *(Continued)*

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Financial instruments** *(Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### **Financial instruments** *(Continued)*

##### *Financial assets (Continued)*

##### Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Financial instruments (Continued)***

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

##### *Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income' line item (note 6) as part of the exchange loss, net.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### ***Financial instruments (Continued)***

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### *Financial liabilities and equity*

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss ("FVTPL").

##### Financial liabilities at amortised cost

Financial liabilities including trade and other payables, other borrowings and Convertible Note are subsequently measured at amortised cost, using the effective interest method.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

#### 3.2 Material accounting policy information *(Continued)*

##### *Financial instruments (Continued)*

###### *Convertible Notes*

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the Convertible Notes is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the Convertible Notes are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the Convertible Notes using the effective interest method.

###### *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other income' line item in profit or loss (note 6) as part of exchange loss.

###### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

###### *Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future years.

##### ***Provision of ECL for trade receivables and contract assets***

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables and contract assets which are individually insignificant. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 22 and 21 respectively.

##### ***Revenue recognition of installation services and recognition of contract assets***

Revenue from provision of installation services is recognised over time by measuring the progress towards completion of the Group's performance obligations as set out in respective contracts. The Group has used the output method to estimate the progress of each performance obligation satisfied over time by reference to the value of installation works completed to date (as certified by surveyors or other representatives as appointed by customers (collectively the external independent parties) or evaluated by the Group's internal technicians if such certifications from external independent parties are not available) as a proportion of the total contract value of the relevant contracts.

The Group regularly reviews and revises the estimation of contract progresses whenever there is any change in circumstances. As at 31 December 2025, the value of work which is completed but yet to be certified was disclosed in note 21.

For the year ended 31 December 2025

#### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

*(Continued)*

##### **Estimated impairment of goodwill and other intangible assets**

Determining whether goodwill and other intangible assets are impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill and other intangible assets have been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

The net carrying amounts, of goodwill and other intangible assets as at 31 December 2025 were HK\$30,080,000 (2024: HK\$30,080,000) and HK\$32,442,000 (2024: HK\$31,454,000) respectively. Details of the recoverable amount calculation are disclosed in note 18.

##### **Estimated impairment of property, plant and equipment and right-of-use assets**

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amounts of right-of-use assets was HK\$3,336,000 (2024: HK\$5,078,000) and the carrying amounts of property, plant and equipment was HK\$83,247,000 (2024: HK\$74,977,000). Based on the management's assessment after taking into account no impairment losses (2024: HK\$Nil) in respect of right-of-use assets and property, plant and equipment that have been recognised for the year ended 31 December 2025 respectively. Details of the impairment of right-of-use assets and property, plant and equipment are disclosed in note 18.

For the year ended 31 December 2025

#### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

*(Continued)*

##### Estimated impairment of investment in an associate

The management of the Group carries out review on impairment on the investment in an associate whenever events or changes in circumstances indicate that its carrying amount may not be recoverable by comparing its recoverable amount (higher of the value in use and fair value less cost of disposal) with its carrying amount.

In determining whether the investment in an associate is impaired, it requires an estimation of its recoverable amount, which represents higher of the value in use and fair value less cost of disposal (market value). For the value in use, it requires the Group to estimate the future cash flows expected to arise from the operations of the investment and from the ultimate disposal, and a discount rate in order to calculate the present value. In cases where the actual cash flows are less or more than expected, or change in facts or circumstances which result in revision of future cash flows are less or more than expected, or change in facts and circumstances which result in revision of future cash flows estimation or discount rate, a material reversal or further recognition of impairment may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

As at 31 December 2025, the carrying amount of the investment in an associate amounted to HK\$69,028,000 (2024: HK\$75,530,000), no impairment (2024:Nil) was recognised in profit or loss during the year.

##### Fair value of derivative financial instruments in relation to Convertible Note

At the end of the reporting period, the Group's derivative financial instruments in relation to Convertible Note are stated at fair value of HK\$99,246,000 (2024: HK\$88,275,000) based on the valuation performed by an independent qualified professional valuer. In determining the fair value, the valuer has applied binomial option pricing model which involves, inter-alia, estimates of certain unobservable inputs, e.g. option-adjusted spread, stock price volatility. The fair value of the derivative financial instruments in relation to Convertible Note is sensitive to these estimates. The information about the derivative financial instruments in relation to Convertible Note are disclosed in notes 26 and 34.

#### 5. REVENUE AND SEGMENT INFORMATION

##### Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focus on the types of services provided.

For the year ended 31 December 2025

**5. REVENUE AND SEGMENT INFORMATION** *(Continued)*Segment information *(Continued)**(i) Disaggregation of revenue from contracts with customers*

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Sales of electric vehicle charging systems	<b>64,614</b>	64,765
Electric vehicles charging income	<b>44,243</b>	23,881
Provision of installation service income	<b>7,383</b>	60,276
Maintenance income, rental and EV charging consultancy income	<b>8,974</b>	4,204
	<b>125,214</b>	153,126
Timing of revenue recognition		
A point in time	<b>64,614</b>	66,252
Over time	<b>60,600</b>	86,874
	<b>125,214</b>	153,126

For the year ended 31 December 2025

**5. REVENUE AND SEGMENT INFORMATION** (Continued)

## Segment information (Continued)

## (ii) Segment information

The directors of the Company have determined that the Group has only one operating and reportable segment throughout the reporting periods, as the Group manages its business as a whole as the provision of Electric charging business and the executive directors of the Company, being the chief operating decision-makers of the Group, regularly review the internal financial reports on the same basis for the purposes of allocating resources and assessing performance of the Group. Segment information is not presented accordingly.

## Geographical markets

	Sales of electric vehicle charging systems HK\$'000	Electric vehicles charging income HK\$'000	Provision of installation service income HK\$'000	Maintenance income, rental and EV charging consultancy income HK\$'000	2025 Total HK\$'000
Hong Kong	28,867	44,243	7,383	3,350	83,843
Thailand	31,741	-	-	5,624	37,365
Other countries/regions	4,006	-	-	-	4,006
	64,614	44,243	7,383	8,974	125,214
Timing of revenue recognition					
A point in time	64,614	-	-	-	64,614
Over time	-	44,243	7,383	8,974	60,600
	64,614	44,243	7,383	8,974	125,214

For the year ended 31 December 2025

**5. REVENUE AND SEGMENT INFORMATION** *(Continued)***Segment information** *(Continued)***(ii) Segment information** *(Continued)**Geographical markets* *(Continued)*

	<b>Sales of electric vehicle charging systems HK\$'000</b>	<b>Electric vehicles charging income HK\$'000</b>	<b>Provision of installation service income HK\$'000</b>	<b>Maintenance income, rental and EV charging consultancy income HK\$'000</b>	<b>2024 Total HK\$'000</b>
Hong Kong	41,577	23,881	60,276	2,962	128,696
Thailand	19,688	-	-	1,242	20,930
Other countries/regions	3,500	-	-	-	3,500
	<b>64,765</b>	<b>23,881</b>	<b>60,276</b>	<b>4,204</b>	<b>153,126</b>
Timing of revenue recognition					
A point in time	64,765	-	-	1,487	66,252
Over time	-	23,881	60,276	2,717	86,874
	<b>64,765</b>	<b>23,881</b>	<b>60,276</b>	<b>4,204</b>	<b>153,126</b>

For the year ended 31 December 2025

**5. REVENUE AND SEGMENT INFORMATION** *(Continued)***Segment information** *(Continued)***(ii) Segment information** *(Continued)*

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. Group's revenue from external customers during the reporting periods is derived from Hong Kong and overseas and all of the Group's assets and liabilities are located in Hong Kong.

*Information about major customers*

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Customer A	<b>37,183</b>	19,688
Customer B*	<b>101</b>	19,164
Customer C*	<b>2,910</b>	16,940
Customer D*	<b>6,600</b>	15,400

\* Revenue did not contribute over 10% of total revenue of the Group for the year ended 31 December 2025.

**6. OTHER INCOME**

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Interest income	<b>62</b>	110
Gain on termination of lease	<b>65</b>	-
Gain on disposal of property, plant and equipment	<b>53</b>	-
Sundry income	<b>12</b>	84
	<b>192</b>	194

For the year ended 31 December 2025

**7. OTHER LOSSES RELATED TO CONVERTIBLE NOTE**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss on issue of Convertible Note	-	62,971
Fair value loss on derivative liability of Convertible Note	<b>10,971</b>	6,716
Transaction costs relating to the derivative component of Convertible Note	-	3,406
	<b>10,971</b>	73,093

**8. FINANCE COSTS**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on other borrowings	<b>13,101</b>	13,212
Interest on lease liabilities	<b>268</b>	340
Interest on Convertible Note	<b>9,072</b>	630
	<b>22,441</b>	14,182

**9. INCOME TAX CREDIT**

The Group's entities established in the Cayman Islands and the British Virgin Islands (the "BVI") are exempted from income tax of the jurisdiction, respectively.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the reporting year.

For the year ended 31 December 2025

**9. INCOME TAX CREDIT** *(Continued)*

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Current tax	-	-
Deferred taxation credit <i>(note 29)</i>	<b>(175)</b>	(174)
Income tax credit	<b>(175)</b>	(174)

The income tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss before tax	<b>(115,382)</b>	(144,403)
Tax at the domestic income tax rate	<b>(19,038)</b>	(23,826)
Tax effect of expenses not deductible for tax purpose	<b>12,606</b>	16,786
Tax effect of income not taxable for tax purpose	<b>(191)</b>	(6)
Tax effect of tax losses not recognised	<b>5,775</b>	6,206
Tax effect of tax deductible temporary difference not recognised	<b>673</b>	666
Income tax credit	<b>(175)</b>	(174)

Details of deferred tax are set out in note 29.

For the year ended 31 December 2025

**10. LOSS FOR THE YEAR**

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Loss for the year has been arrived at after charging/(crediting):		
Staff costs (including directors' emoluments)		
– Salaries and other benefits	<b>43,274</b>	44,493
– Contributions to defined contribution plans	<b>1,317</b>	1,402
	<hr/>	<hr/>
Total staff cost before share-based payment expenses	<b>44,591</b>	45,895
Share-based payment expenses	<b>19,766</b>	–
	<hr/>	<hr/>
	<b>64,357</b>	45,895
Less: capitalised under property, plant and equipment	<b>(1,054)</b>	–
	<hr/>	<hr/>
Total staff costs	<b>63,303</b>	45,895
	<hr/>	<hr/>
Auditor's remuneration	<b>1,100</b>	850
Cost of inventories	<b>94,145</b>	125,846
Depreciation of property, plant and equipment	<b>10,938</b>	9,098
Depreciation of right-of-use assets	<b>3,481</b>	2,901
Amortisation of other intangible assets	<b>4,481</b>	4,045
Exchange loss, net	<b>43</b>	391
Impairment loss (reversed)/recognised on trade receivables, net	<b>(1,200)</b>	89
Share-based payment expenses ( <i>Note</i> )	<b>19,766</b>	–
	<hr/>	<hr/>

*Note:* During the year ended 31 December 2025, share-based payment expenses included the equity-settled share-based payments relating to share award scheme granted by the Company amounting to approximately HK\$19,766,000. Details of the equity-settled share-based payments relating to share award scheme granted by the Company are set out in note 31.

For the year ended 31 December 2025

**11. DIRECTORS' EMOLUMENTS**

Certain directors of the Company received remuneration from the entities now comprising the Group during the reporting year for their employment as directors or employees of these entities. The aggregate amounts of remuneration received and receivable by the directors of the Company during the reporting year are set out below.

**Year ended 31 December 2025**

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonus HK\$'000	Share-based compensation expenses (Note viii) HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
<i>Executive directors</i>						
Mr. Liang Zihao	-	-	-	-	-	-
Mr. Wu Jianwei (Note i)	-	-	-	-	-	-
Mr. Li Man Keung Edwin	-	-	-	-	-	-
Mr. Ho Karl (Note ii)	-	2,260 <sup>#</sup>	132	3,801 <sup>*</sup>	18	6,211
Mr. Pan Wenyuan	-	-	-	-	-	-
Ms. Wu Yanyan	-	-	-	-	-	-
Mr. Yip Shiu Hong	-	2,940	270	7,603 <sup>*</sup>	18	10,831
<i>Non-executive director</i>						
Mr. Koh Herbin Puay Teck (Note iii)	-	-	-	-	-	-
<i>Independent non-executive directors</i>						
Ms. Ip Ka Lai (Note iv)	120	-	-	-	-	120
Ms. So Sze Wan Lisa (Note iv)	120	-	-	-	-	120
Mr. Tam Ka Hei Raymond	120	-	-	-	-	120
Ms. Yeung Pik Wah (Note v)	20	-	-	-	-	20
Mr. Li Michael Hankin (Note vii)	101	-	-	-	-	101
	<b>481</b>	<b>5,200</b>	<b>402</b>	<b>11,404</b>	<b>36</b>	<b>17,523</b>

<sup>#</sup> The amount included the commission payment of HK\$597,000 for contribution in share placing and share subscription during the year. The commission was the transaction cost and recorded in equity.

<sup>\*</sup> The amount represented the share-based compensation expenses entitled to and remained unpaid to the directors.

For the year ended 31 December 2025

**11. DIRECTORS' EMOLUMENTS (Continued)**

Year ended 31 December 2024

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonus HK\$'000	Share-based compensation expenses (Note viii) HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
<i>Executive directors</i>						
Mr. Liang Zihao	-	-	-	-	-	-
Mr. Wu Jianwei (Note i)	-	-	-	-	-	-
Mr. Li Man Keung Edwin	-	-	-	-	-	-
Mr. Ho Karl (Note ii)	-	176	-	-	2	178
Mr. Pan Wenyuan	107	-	-	-	-	107
Ms. Wu Yanyan	-	-	-	-	-	-
Mr. Yip Shiu Hong	-	3,240	405	-	18	3,663
<i>Non-executive directors</i>						
Mr. Wu Jianwei (Note i)	-	-	-	-	-	-
Mr. Koh Herbin Puay Teck (Note iii)	-	-	-	-	-	-
<i>Independent non-executive directors</i>						
Ms. Ip Ka Lai (Note iv)	13	-	-	-	-	13
Ms. So Sze Wan Lisa (Note iv)	13	-	-	-	-	13
Mr. Tam Ka Hei Raymond	120	-	-	-	-	120
Ms. Yeung Pik Wah (Note v)	13	-	-	-	-	13
Mr. Yuen Chun Fai (Note vi)	107	-	-	-	-	107
Ms. Zhu Xiaohui (Note vi)	107	-	-	-	-	107
Mr. Ko Shu Ki Kenneth (Note vi)	107	-	-	-	-	107
Mr. Li Michael Hankin (Note vii)	-	-	-	-	-	-
	587	3,416	405	-	20	4,428

*Note i:* Mr. Wu Jianwei was resigned as a non-executive director and was appointed as an executive director of the Company on 21 November 2024.

*Note ii:* Mr. Ho Karl was appointed as an executive director of the Company on 21 November 2024.

*Note iii:* Mr. Koh Herbin Puay Teck was appointed as a non-executive director of the Company on 21 November 2024.

*Note iv:* Ms. Ip Ka Lai and Ms. So Sze Wan Lisa were appointed as independent non-executive directors of the Company on 21 November 2024.

*Note v:* Ms. Yeung Pik Wah was appointed as an independent non-executive director of the Company on 21 November 2024, and was resigned as an independent non-executive director of the Company on 27 February 2025.

*Note vi:* Mr. Yuen Chun Fai, Ms. Zhu Xiaohui and Mr. Ko Shu Ki Kenneth were resigned as an independent non-executive director of the Company on 21 November 2024.

*Note vii:* Mr. Li Michael Hankin was appointed as an independent non-executive director of the Company on 27 February 2025.

For the year ended 31 December 2025

**11. DIRECTORS' EMOLUMENTS** (Continued)

*Note viii:* Amounts represent the fair value of share granted under the 2025 Share Award Scheme, measured at the grant date charged to the consolidated statement of profit or loss and other comprehensive income when vested.

During the year ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of these directors as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director or the chief executive waived or agreed to waive any remunerations during the year ended 31 December 2025 and 2024.

During the year ended 31 December 2025 and 2024, no director was granted share options, in respect of their services to the Group under the share option scheme. Details of the share option scheme are set out in note 31 to the consolidated financial statements.

**12. FIVE HIGHEST PAID EMPLOYEES**

During the year ended 31 December 2025, the five highest paid individuals included two directors (2024: one), details of whose emoluments are set out in note 11 to the consolidated financial statements above. During the year ended 31 December 2025, the emoluments to the remaining three employees (2024: four) are as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Salaries, allowances and benefits in kind	<b>3,826</b>	6,210
Contributions to defined contribution plans	<b>51</b>	70
Share based compensation expenses	<b>8,363</b>	-
	<b>12,240</b>	6,280

Their emoluments fell within the following bands is as follows:

	<b>Number of employees</b>	
	<b>2025</b>	2024
HK\$1,000,001 to HK\$1,500,000	-	1
HK\$1,500,001 to HK\$2,000,000	1	3
HK\$5,000,001 to HK\$6,000,000	2	-

During the year ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of these highest paid non-director and non-chief executive employees as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the year ended 31 December 2025 and 2024.

For the year ended 31 December 2025

**13. DIVIDENDS**

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting year (2024: Nil).

**14. LOSS PER SHARE**

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

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss:		
Loss for the purpose of calculating basic loss per share	<b>(115,207)</b>	(144,229)
	<b>'000</b>	<b>'000</b>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<b>969,141</b>	914,598

During the reporting year, the Group has issued shares through share placing, subscription and warrant shares, and the number of ordinary shares had been increased from 953,575,399 to 1,040,557,407. For details, please refer to note 30.

No diluted loss per share is presented for current year and prior period since the assumed exercise of the share options would result in a decrease in diluted loss per share.

For the year ended 31 December 2025

**15. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements HK\$'000	Furniture and equipment HK\$'000	Motor vehicles HK\$'000	Electric vehicle charging systems HK\$'000	Total HK\$'000
<b>COST</b>					
At 1 January 2024	4,237	4,046	2,777	42,908	53,968
Additions	–	11	3,080	35,117	38,208
Transferred from right-of-use assets	–	–	359	–	359
At 31 December 2024	4,237	4,057	6,216	78,025	92,535
Additions	–	–	–	19,208	19,208
Disposal	–	–	(359)	–	(359)
At 31 December 2025	4,237	4,057	5,857	97,233	111,384
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS</b>					
At 1 January 2024	1,447	2,604	87	3,993	8,131
Provided for the year	1,273	578	1,019	6,228	9,098
Transferred from right-of-use assets	–	–	329	–	329
At 31 December 2024	2,720	3,182	1,435	10,221	17,558
Provided for the year	833	570	1,189	8,346	10,938
Eliminated on disposal	–	–	(359)	–	(359)
At 31 December 2025	3,553	3,752	2,265	18,567	28,137
<b>CARRYING VALUES</b>					
At 31 December 2025	684	305	3,592	78,666	83,247
At 31 December 2024	1,517	875	4,781	67,804	74,977

*For the year ended 31 December 2025*

**15. PROPERTY, PLANT AND EQUIPMENT** *(Continued)*

The above items of property, plant and equipment are depreciated on straight-line basis at the following rates per annum:

Leasehold improvements	10 years or the lease term, whichever is shorter
Plant and machinery	5 to 10 years
Furniture and equipment	3 to 7 years
Motor vehicles	5 years
Electric vehicle charging systems	10 years

Details of impairment assessment of property, plant and equipment are set out in note 18.

For the year ended 31 December 2025

**16. RIGHT-OF-USE ASSETS**

The Group as lessee

	<b>Leased properties</b> <i>HK\$'000</i>	<b>Motor vehicles</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>As at 31 December 2025</b>			
Carrying amount	3,336	—	3,336
<b>As at 31 December 2024</b>			
Carrying amount	5,078	—	5,078
<b>For the year ended 31 December 2025</b>			
Depreciation charge	3,481	—	3,481
Lease termination	51	—	51
<b>For the year ended 31 December 2024</b>			
Depreciation charge	2,770	131	2,901
Transferred to property, plant and equipment	—	30	30

	<b>2025</b> <i>HK\$'000</i>	<b>2024</b> <i>HK\$'000</i>
Expenses relating to short-term leases	<b>155</b>	1,118
Total cash outflow for leases	<b>3,842</b>	4,173
Additions to right-of-use assets	<b>1,790</b>	—

Details of impairment assessment of right-of-use assets are set out in note 18.

For the year ended 31 December 2025

**16. RIGHT-OF-USE ASSETS (Continued)****The Group as lessee (Continued)**

For the reporting year and prior period, the Group leases various premises, machineries and motor vehicles for its operations. Lease contracts are entered into for fixed term of 3 to 7 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

**Extension and termination options**

The Group has extension or termination options in a number of leases for office and warehouse. This is used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options or not to exercise the termination options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain not to exercise and termination options in which the Group is not reasonably certain not to exercise is summarised below:

	<b>Lease liabilities recognised as at 31 December 2025</b>	<b>Potential future lease payments not included in lease liabilities (undiscounted) 31 December 2025</b>	<b>Lease liabilities recognised as at 31 December 2024</b>	<b>Potential future lease payments not included in lease liabilities (undiscounted) 31 December 2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Office – Hong Kong	<b>2,344</b>	–	4,722	–

For the year ended 31 December 2025

**16. RIGHT-OF-USE ASSETS** (Continued)**Extension and termination options** (Continued)

The following table summarised the additional lease liabilities recognised during the year ended 31 December 2025 and 2024 as a result of exercising extension option that the Group was not reasonably certain to exercise and not exercising termination option that the Group was not reasonably certain not to exercise:

For the year ended 31 December 2025

	<b>Termination option exercisable No. of leases</b>	<b>Termination option exercised No. of leases</b>
Offices – Hong Kong	1	–
<hr/>		
Additional lease liabilities recognised (HK\$'000)		1,762

For the year ended 31 December 2024

	Termination option exercisable No. of leases	Termination option exercised No. of leases
Offices – Hong Kong	1	–
<hr/>		
Additional lease liabilities recognised (HK\$'000)		2,319

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2025 and 2024, there is no such triggering event.

**The Group as lessor**

The Group leases out a number of motor vehicles under operating leases. The leases typically run for an initial period within one year (2024: one year). None of the leases includes variable lease payments. Details of the disaggregation of these motor vehicles under operating leases included within motor vehicles and the reconciliation of the carrying amount at the beginning and end of the period are set out in note 15.

For the year ended 31 December 2025

**17. OTHER INTANGIBLE ASSETS**

	Software HK\$'000	Development costs HK\$'000	Technology HK\$'000	Registered trademarks HK\$'000	Patent HK\$'000	Customer relationship HK\$'000	Total HK\$'000
<b>COST</b>							
At 1 January 2024	6,183	18,428	6,153	447	2,008	1,607	34,826
Additions	1,174	6,126	–	112	5	–	7,417
At 31 December 2024	7,357	24,554	6,153	559	2,013	1,607	42,243
Additions	1,203	4,263	–	–	3	–	5,469
At 31 December 2025	8,560	28,817	6,153	559	2,016	1,607	47,712
<b>AMORTISATION</b>							
At 1 January 2024	513	2,518	2,102	113	640	858	6,744
Provided for the year	770	2,174	615	49	186	251	4,045
At 31 December 2024	1,283	4,692	2,717	162	826	1,109	10,789
Provided for the year	787	2,586	615	55	187	251	4,481
At 31 December 2025	2,070	7,278	3,332	217	1,013	1,360	15,270
<b>CARRYING VALUES</b>							
At 31 December 2025	6,490	21,539	2,821	342	1,003	247	32,442
At 31 December 2024	6,074	19,862	3,436	397	1,187	498	31,454

Development costs are internally generated. The above registered trademarks, patent and technology were acquired as part of a business combination during the nine months ended 31 December 2020.

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Software	10 years
Development costs	10 years
Registered trademarks	1-10 years
Patent	10 years
Technology	10 years
Customer relationship	5-10 years

Details of impairment assessment of other intangible assets are set out in note 18.

For the year ended 31 December 2025

**18. GOODWILL**

	<b>Acquisition of Cornerstone EV HK\$'000</b>
<b>COST</b>	
At 1 January 2024, 31 December 2024 and 2025	30,080
<b>CARRYING VALUES</b>	
At 31 December 2025	30,080
At 31 December 2024	30,080

For the purposes of impairment testing, goodwill has been allocated to one CGU, comprising one subsidiary in the electric vehicle charging segment. The carrying amount of goodwill (net of accumulated impairment losses) allocated to the unit is as follows:

	<b>Goodwill</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Electric vehicle charging segment – Cornerstone EV	<b>30,080</b>	30,080

In addition to goodwill, property, plant and equipment, other intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGU for the purpose of impairment assessment.

The recoverable amount of electric vehicle charging segment CGU is HK\$162,659,000 (2024: HK\$144,625,000), which has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 10-year period and discount rate of 15.34% (2024: 17.17%). Electric vehicle charging segment CGU's cash flows beyond the 10-year period are extrapolated using a steady 2.0% (2024: 2.0%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. The key assumptions used in the value in use calculations, which relate to the estimation of cash inflows and outflows, primarily include the gross profit ratio and the operating expenses to revenue ratio. For the year ended 31 December 2025, the gross profit ratio is projected to range from 23% to 42% (2024: 16% to 42%), while the operating expenses to revenue ratio is expected to range between 28% and 42% (2024: 12% to 35%). These estimations are based on past performance and management's expectations for market development. The above estimation is based on electric vehicle charging segment CGU's past performance and management's expectations for the market development.

During the year ended 31 December 2025 and 2024, management of the Group determines that there is no impairment was recognised.

For the year ended 31 December 2025

**19. INVESTMENT IN AN ASSOCIATE**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of investment in an associate	<b>75,600</b>	75,600
Share of post-acquisition loss and other comprehensive expense	<b>(6,572)</b>	(70)
	<b>69,028</b>	75,530

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Principal activity
			2025	2024	
Spark EV Company Limited	Thailand	Thailand	<b>35.58%</b>	35.58%	EV charging operations

Note: On 4 December 2024, the Group had made capital injection of approximately HK\$75,600,000 and acquired 35.58% ownership interest in Spark EV Company Limited.

**Summarised financial information of material associate**

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts in associate's financial statements prepared in accordance with HKFRS Accounting Standards.

The associate is accounted for using the equity method in these consolidated financial statements.

**Spark EV Company Limited**

	<b>As at 31 December 2025</b> <i>HK\$'000</i>	As at 31 December 2024 <i>HK\$'000</i>
Current assets	<b>62,302</b>	86,552
Non-current assets	<b>185,088</b>	24,122
Current liabilities	<b>(59,031)</b>	(7,206)
Non-current liabilities	<b>(6,299)</b>	(1,410)

For the year ended 31 December 2025

**19. INVESTMENT IN AN ASSOCIATE** *(Continued)*Summarised financial information of material associate *(Continued)*

	For the year ended 31 December 2025 <i>HK\$'000</i>	For the period from 4 December 2024 to 31 December 2024 <i>HK\$'000</i>
Revenue	7,560	48
Loss for the year/period	(22,941)	(198)
Other comprehensive income for the year/period	7,378	-
Total comprehensive expense for the year/period	(15,563)	(198)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in these consolidated financial statements:

<b>Year ended 31 December 2025</b>	<i>HK\$'000</i>
Net assets of Spark EV Company Limited as at 31 December 2025	182,060
Proportion of the Group's ownership interest in Spark EV Company Limited	35.58%
The Group's share of net assets of Spark EV Company Limited	64,777
Goodwill	36,067
Capital contribution from other shareholder	(33,940)
Elimination of unrealised profits on downstream transactions	(964)
Exchange realignment	3,088
Carrying amount of the Group's interest in Spark EV Company Limited as at 31 December 2025	69,028

For the year ended 31 December 2025

**19. INVESTMENT IN AN ASSOCIATE** *(Continued)***Summarised financial information of material associate** *(Continued)*

Year ended 31 December 2024	<i>HK\$'000</i>
Net assets of Spark EV Company Limited at acquisition	111,111
Proportion of the Group's ownership interest in Spark EV Company Limited	35.58%
<hr/>	
The Group's share of net assets of Spark EV Company Limited at acquisition	39,533
Goodwill	36,067
Share of post-acquisition loss and other comprehensive expense for the period from 4 December 2024 to 31 December 2024	(70)
<hr/>	
Carrying amount of the Group's interest in Spark EV Company Limited as at 31 December 2024	75,530
<hr/>	

**Impairment tests for investment in an associate**

The recoverable amount of the investment in Spark EV Company Limited has been determined based on a value in use calculation, with the assistance of an independent professional valuer engaged by the Group. These calculations are derived from cash flow projections based on financial budgets approved by management covering a 10-year period. The key assumptions used in estimating the recoverable amount include utilisation rate from 6.4% to 15% (2024: 9.9% to 19%), and discount rate of 20.1% (2024: 17.17%) applied to the projections.

During the year ended 31 December 2025, the management of the Group determines that no impairment was recognised (2024: Nil).

**20. INVENTORIES**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Raw materials	<b>2,349</b>	2,556
Finished goods	<b>4,448</b>	3,628
<hr/>		
	<b>6,797</b>	6,184
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For the year ended 31 December 2025

**21. CONTRACT ASSETS AND CONTRACT LIABILITIES**

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Contract assets	<i>(a)</i>	<b>1,615</b>	15,819
Contract liabilities	<i>(b)</i>	<b>18,555</b>	3,601

**(a) Contract assets**

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Provision of installation service relating to electric vehicle charging-enabling infrastructure	<b>1,615</b>	15,819

Contract assets consist of unbilled amount resulting from provision of installation service relating to electric vehicle charging-enabling infrastructure when the revenue recognised exceeds the amount billed to the customers. The contract assets are transferred to trade receivables when the rights become unconditional.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

Details of the impairment assessment of contract assets are set out in note 34. As at 31 December 2025, none of the Group's contract assets were impaired (2024: Nil).

***Movements in contract assets***

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
At the beginning of the reporting year	<b>15,819</b>	14,220
Additions for the year	<b>7,383</b>	14,787
Transferred to trade receivables for the year	<b>(21,587)</b>	(13,188)
At the end of the reporting year	<b>1,615</b>	15,819

For the year ended 31 December 2025

**21. CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)****(b) Contract liabilities**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Provision of subscription service relating to electric vehicle charging	<b>5,870</b>	3,468
Provision of sale of electric charging tool and equipment to customers	<b>12,685</b>	133
	<b>18,555</b>	3,601

The contract liabilities represent the Group's obligation to transfer performance obligation to customers for which the Group has received considerations from the customers.

The contract liabilities above are due to the advance payment made by customers. A contract liability is the Group's obligation to render services to a customer for which the Group has received consideration from the customer. A contract liability is recognised by the Group when the customer pays consideration but before the Group renders the service to the customer.

***Movements in contract liabilities***

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At the beginning of the reporting year	<b>3,601</b>	1,056
Recognised as revenue for the year	<b>(3,601)</b>	(1,056)
Additions for the year	<b>18,555</b>	3,601
At the end of the reporting year	<b>18,555</b>	3,601

The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue within one year or less.

For the year ended 31 December 2025

**22. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables		
– Contracts with customers	<b>13,344</b>	47,219
<i>Less: provision for impairment of trade receivables</i>	<b>(193)</b>	(1,393)
<hr/>		
Trade receivables, net	<b>13,151</b>	45,826
<hr/>		
Other receivables	<b>1,978</b>	1,807
Prepayments	<b>13,679</b>	13,985
Deposits	<b>7,015</b>	7,910
Amounts due from an associate <i>(note 36)</i>	<b>-</b>	3,768
<hr/>		
	<b>22,672</b>	27,470
<hr/>		
Total	<b>35,823</b>	73,296
<hr/>		
Analysed for reporting purposes as:		
Non-current assets	<b>5,363</b>	6,067
Current assets	<b>30,460</b>	67,229
<hr/>		
	<b>35,823</b>	73,296
<hr/>		

The Group normally grants credit terms up to 60 days from the date of issuance of invoices. The credit period provided to customers can vary based on a number of factors including nature of operations, the Group's relationship with the customer and the customer's credit profile.

For the year ended 31 December 2025

**22. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS** (Continued)

The following is an aged analysis of trade receivables presented based on invoice date at the end of each reporting year is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	<b>5,859</b>	23,587
31 to 60 days	<b>3,305</b>	13,230
61 to 90 days	<b>1,700</b>	1,382
Over 90 days	<b>2,480</b>	9,020
	<b>13,344</b>	47,219

As at 31 December 2025, included in the Group's trade receivables balance, are debtors with aggregate carrying amount of approximately HK\$6,092,000 (2024: HK\$20,686,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$2,029,000 (2024: HK\$2,571,000) has been past due 90 days or more and is not considered as in default as these balances are mainly due from customers of good credit quality. The Group does not hold any collateral over the balances.

The movement in the allowance for impairment in respect of trade receivables during the year ended 31 December 2025 and 2024 was as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Balance at the beginning of the reporting year	<b>1,393</b>	1,304
Impairment losses (reversed)/recognised	<b>(1,200)</b>	89
Balance at the end of the reporting year	<b>193</b>	1,393

As at 31 December 2025 and 2024, other receivables of the Group are neither past due nor impaired and they have no default history and there are continuous subsequent settlements.

Details of impairment assessment of trade and other receivables are set out in note 34.

For the year ended 31 December 2025

### 23. BANK BALANCES AND CASH

As at 31 December 2025, bank balances and cash carry interest at prevailing market rates ranging from 0.001% to 0.05% (2024: 0.05% to 0.375%) per annum.

Details of impairment assessment of bank balances are set out in note 34.

### 24. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	16,266	45,858
Accruals and other payables	12,891	10,586
Receipts in advance for placing of shares	16,005	16,005
Deposits received	3,073	2,635
Amounts due to an associate ( <i>note 36</i> )	1,639	-
	<b>33,608</b>	29,226
Total	<b>49,874</b>	75,084

The trade payables are non-interest bearing and the Group is normally granted with credit terms up to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting year:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	12,471	25,139
31 to 60 days	2,201	8,583
61 to 90 days	200	4,496
Over 90 days	1,394	7,640
	<b>16,266</b>	45,858

For the year ended 31 December 2025

**25. OTHER BORROWINGS**

At the end of the reporting year, the details of the other borrowings of the Group are as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Other borrowings – unsecured	-	16,023
Other borrowings – secured	<b>101,315</b>	98,618
	<b>101,315</b>	114,641
Carrying amounts of the above other borrowings are repayable:		
Within one year or repayable on demand	<b>61,662</b>	16,023
Within a period of more than two years but not exceeding five years	<b>39,653</b>	98,618
	<b>101,315</b>	114,641

The amounts due are based on scheduled repayment dates set out in the loan agreements.

The Group's other borrowings as at 31 December 2025 were denominated in HK\$ and US\$ (2024: all denominated in US\$).

As at 31 December 2025, other borrowings of HK\$61,662,000 (2024: HK\$59,653,000) are secured and guaranteed by several subsidiaries of the Company. The borrowings bear interest at an effective interest rate of 11.89% per annum (2024: 11.89%). During the year ended 31 December 2025, the Group executed an extension agreement to increase the original 36-month repayment term by an additional nine months. Accordingly, the borrowings are now repayable within 45 months (2024: 36 months) from the date of the initial drawdown.

For other borrowings from shareholders, it comprises a principal amount of HK\$Nil (2024: HK\$15,665,000) with interest payable of HK\$Nil (2024: HK\$358,000) as at 31 December 2025. The other borrowings from shareholders were unsecured and interest-bearing at 6% per annum. On 22 September 2025, the principal amount and accrued interest payable were fully settled through a share subscription, resulting in no outstanding balance as at 31 December 2025. No effective interest rates (2024: 7.42% to 7.67%), were determined by an independent valuer at the inception of the borrowings from shareholders.

For other borrowings from an independent third party, the Group raised borrowings with principal amounts of HK\$30,569,000 and HK\$8,431,000 on 6 August 2024 and 4 November 2024, respectively. As at 31 December 2025, the aggregated other borrowings with interest payable from an independent third party were HK\$39,653,000 (2024: HK\$38,965,000). These borrowings are secured by directors' guarantees, bear interest at 12% per annum, and the repayment date has been extended to 25 January 2027 (2024: repayable on 24 January 2026). The effective interest rate is 13.96% (2024: 12.32%), as determined by an independent valuer at the inception of the borrowings.

The Group regularly monitors its compliance with loan covenants and has made payments according to the schedule of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment so long as the Group continues to meet these requirements. Further details of the Group's management of liquidity risk are set out in note 34 to the consolidated financial statements. As at 31 December 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

For the year ended 31 December 2025

**25. OTHER BORROWINGS** (Continued)

As at 31 December 2025, the Group had total facilities of HK\$156,000,000 (2024: HK\$156,000,000) consisting of used facilities of HK\$62,400,000 (2024: HK\$62,400,000) and unused facilities of HK\$93,600,000 (2024: HK\$93,600,000).

**Pledge of Assets**

As at 31 December 2025 and 2024, the Group had the following categories of assets which had been pledged for the Group's other borrowings:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Property, plant and equipment	<b>83,247</b>	74,977
Contract assets	<b>1,615</b>	15,819
Trade receivables	<b>12,989</b>	45,519
Bank balances	<b>22,386</b>	23,799
	<b>120,237</b>	160,114

**26. CONVERTIBLE NOTE**

Details of the transaction are set out in the Company's circular dated 4 October 2024. The Subscriber is controlled by a fund that is managed and controlled by Gaw Capital and/or its affiliates. As such, Gaw Capital as an existing Shareholder of the Company.

Details of the Group's Convertible Note outstanding as at 31 December 2025 and 2024 are set out below:

Date of issue	6 December 2024
Aggregate principal amount of Convertible Note:	Tranche 1 Convertible Note: HK\$95,600,000
	Tranche 2 Convertible Note: HK\$51,300,000
	Tranche 3 Convertible Note: HK\$53,100,000
Remaining the principal amount:	Tranche 2 Convertible Note: HK\$51,300,000
	Tranche 3 Convertible Note: HK\$53,100,000

For the year ended 31 December 2025

**26. CONVERTIBLE NOTE** *(Continued)*

Coupon rate:	6.00% annually
Conversion price:	Lower of 80% to the 90-days VWAP or HK\$0.50 per Conversion Share
Conversion period:	The period commencing from the date of modification of the Convertible Note and ending on the maturity date
Automatic Conversion restrictions:	<ul style="list-style-type: none"> <li>a. Consolidated EBITDA is higher than zero(0) for each period of 12 months ending on the last day of each quarter of the Company's financial year, and;</li> <li>b. the Company has completed the build-out of the 1,000 Approved EV Charging Stations to the Subscriber's satisfaction, and;</li> <li>c. the total capital expenditure for building the Approved EV Charging Stations does not exceed HK\$770 million, and;</li> <li>d. the 90 days VWAP (prior to the date of occurrence of the last Milestone) is not less than HK\$1.0 per Share (subject to adjustment, from time to time in accordance with the terms and conditions according to the CN Agreement (adjustments to the Conversion Price)</li> </ul>
Collaterals:	pledge its entire stake in Spark EV Company Limited of HK\$69,028,000 as at 31 December 2025 (2024: HK\$75,530,000) (associate of the Group) as first priority security interest to the Subscriber
Maturity date:	Fifth (5th) anniversary of the date of the issuance of the Tranche 1 Convertible Note. All the Convertible Notes shall have the same Maturity Date.

The Convertible Note is freely transferrable by Convertible Note holder without the consent from the Company.

Subject to the occurrence of an event of default (as defined in the terms and conditions of the Convertible Note), the Convertible Note holder may, at its sole discretion, issue an event of default redemption notice to the Company to require the Company to redeem all or part of the outstanding Convertible Note holds at that time and such relevant amounts of the Convertible Note shall immediately become due and repayable at the event of default redemption price.

The Convertible Note contains two components, debt component and derivative (including conversion) component. The effective interest rate of the debt component is 11.52% (2024: 11.26%). The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

For the year ended 31 December 2025

**26. CONVERTIBLE NOTE** (Continued)

The movement of the debt and derivative component of the Convertible Note for the year is set out as below:

	<b>Debt component HK\$'000</b>	Derivative component HK\$'000
As at 1 January 2024	-	-
Issuance of Convertible Note	<b>77,012</b>	81,559
Transaction costs	<b>(3,216)</b>	-
Interest charge	<b>630</b>	-
Loss arising on changes of fair value	-	6,716
	<b>74,426</b>	88,275
As at 31 December 2024	<b>74,426</b>	88,275
Interest charge	<b>9,072</b>	-
Loss arising on changes of fair value	-	10,971
	<b>83,498</b>	99,246
As at 31 December 2025	<b>83,498</b>	99,246

**27. LEASE LIABILITIES**

	<b>2025 HK\$'000</b>	2024 HK\$'000
Leases liabilities payable:		
Within one year	<b>3,413</b>	2,738
Within a period of more than one year but not more than two years	<b>154</b>	2,602
	<b>3,567</b>	5,340
Less: Amount due to settlement with 12 months shown under current liabilities	<b>(3,413)</b>	(2,738)
	<b>154</b>	2,602
Amount due to settlement after 12 months shown under non-current liabilities	<b>154</b>	2,602

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**28. PROVISIONS**

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Analysed for reporting purposes as:		
Non-current liabilities	<b>1,207</b>	1,207
		<b>Reinstatement provisions HK\$'000</b>
At 1 January 2024, 31 December 2024 and 31 December 2025		1,207

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**29. DEFERRED TAXATION**

The following is the deferred tax assets/(liabilities) recognised and movements thereon during the year ended 31 December 2025 and 2024:

	<b>Tax losses</b> <i>HK\$'000</i>	<b>Accelerated tax depreciation</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
At 1 January 2024	8,307	(9,334)	(1,027)
Credit/(charge) to profit or loss	3,694	(3,520)	174
<b>At 31 December 2024</b>	<b>12,001</b>	<b>(12,854)</b>	<b>(853)</b>
Credit/(charge) to profit or loss	1,163	(988)	175
<b>At 31 December 2025</b>	<b>13,164</b>	<b>(13,842)</b>	<b>(678)</b>

For the purpose of presentation in the consolidated financial statements, the following is the analysis of the deferred taxation:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Deferred tax assets	<b>13,164</b>	12,001
Deferred tax liabilities	<b>(13,842)</b>	(12,854)
	<b>(678)</b>	(853)

Deferred tax assets are recognised for tax losses carry forwards to the extent that the realisation of the related tax benefit through future taxable profit is probable. The Group has unused estimated tax losses of approximately HK\$283,357,000 (2024: HK\$241,460,000) and deductible temporary differences of HK\$18,000 (2024: HK\$17,000) available for offset against future profits as at 31 December 2025. No deferred tax asset has been recognised in respect of the unused tax losses of HK\$203,576,000 (2024: HK\$168,729,000) and deductible temporary differences of HK\$18,000 (2024: HK\$17,000) as at 31 December 2025 due to the unpredictability of future profit. Unused tax losses may be carried forward indefinitely.

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**30. SHARE CAPITAL**

	Note	As at 31 December 2025		As at 31 December 2024	
		No. of shares '000	Amount HK\$'000	No. of shares '000	Amount HK\$'000
Authorised:					
Ordinary shares of HK\$0.01 each					
At the beginning of the reporting year		100,000,000	1,000,000	100,000,000	1,000,000
At the end of the reporting year		100,000,000	1,000,000	100,000,000	1,000,000
Issued and fully paid:					
Ordinary shares of HK\$0.01 each					
At the beginning of the reporting year		953,576	9,536	886,240	8,862
Issue of shares pursuant to share subscription	(a)	—	—	19,516	196
Issue of shares pursuant to share placement	(b)	—	—	47,820	478
Issue of shares pursuant to share subscription	(c)	32,046	321	—	—
Issue of shares pursuant to share placement	(d)	23,736	237	—	—
Issue of shares pursuant to share subscription	(e)	19,200	192	—	—
Issue of warrant shares	(f)	12,000	120	—	—
At the end of the year		1,040,558	10,406	953,576	9,536

*Note:*

- (a) On 17 May 2024, an aggregate of 19,516,000 subscription shares have been issued and allotted to the executive director of the Company at subscription price of HK\$0.82 per subscription share which pursuant to the terms and conditions of the subscription agreement.
- (b) On 29 August 2024, an aggregate of 47,820,000 placing shares have been issued and allotted to the subscriber at placing price of HK\$0.53 per placing share which pursuant to the terms and conditions of the placing agreement.

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### 30. SHARE CAPITAL (Continued)

Note: (Continued)

- (c) On 22 September 2025, an aggregate of 32,046,008 subscription shares have been issued and allotted to two shareholders of the Company at subscription price of HK\$0.5 per subscription share which pursuant to the terms and conditions of the deed of settlement debt.
- (d) On 12 November 2025, an aggregate of 23,736,000 placing shares have been issued and allotted to the subscriber at placing price of HK\$0.57 per placing share which pursuant to the terms and conditions of the placing agreement.
- (e) On 18 November 2025, an aggregate of 19,200,000 subscription shares have been issued and allotted to subscribers of the Company at subscription price of HK\$0.57 per subscription share which pursuant to the terms and conditions of the subscription agreement.
- (f) On 9 December 2025, 12,000,000 warrant shares have been issued and allotted to subscribers at subscription price of HK\$0.5 per subscription share which pursuant to the terms and conditions of the warrant subscription agreement.

### 31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

#### Warrants

During the year ended 31 December 2023, the Group entered into a Green Loan Facility Agreement with Abax Asian Structured Private Credit Fund 2022, LP (the "Abax"), an independent company, for a term loan facility with a limit of US\$20,000,000 (the "US\$20 million Loan Facility"). The loans under the US\$20 million Loan Facility will be secured, interest at floating rate and are repayable within 36 months from the date of drawdown.

In consideration of the granting of the US\$20 million Loan Facility by the Lender to the Group, the Group has entered subscription agreement with the Lender pursuant to which the Group agreed to issue to Abax an aggregate of 100,000,000 warrants at the initial warrant subscription price of HK\$0.80 per warrant share. Each warrant carries the right to subscribe for one ordinary share at the initial warrant subscription price. The subscription rights attaching to the warrants may be exercised at any time during the five-year period commencing from the date of issue of the warrants.

Pursuant to the subscription agreement, 100,000,000 warrants were issued to Abax on 16 October 2023. The estimated fair value of warrants granted on that date is HK\$51,478,000 which was arrived on the basis of valuation carries out by Royson Valuation Advisory Limited, an independent qualified professional valuer not connected to the Group.

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**31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS** *(Continued)***Warrants** *(Continued)*

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

Fair value (HK\$)	0.5148
Exercise price (HK\$)	0.8
Expected volatility	94.49%
Expected life (years)	5
Risk-free rate	3.99%
Expected dividend yield	0%

During the year ended 31 December 2022, the Group entered into a Green Loan Facility Agreement with Captain Source Limited (the "Lender"), an independent Company and a green loan advisor, for a term loan facility with a limit of HK\$150,000,000 (the "Loan Facility"). The loans under the Loan Facility will be secured, interest-bearing at 10% per annum and repayable in the eighteenth month from the date of drawdown.

In consideration of the granting of the Green Loan Facility by the Lender to the Group, the Group has entered subscription agreement and supplement agreement to subscription agreement with the related company (the "Subscriber A") of the Lender pursuant to which the Group agreed to issue to Subscriber A an aggregate of 120,000,000 Subscriber A warrants at the initial warrant subscription price of HK\$0.50 per warrant share. Each warrant carries the right to subscribe for one ordinary share at the initial warrant subscription price. The subscription rights attaching to the warrants may be exercised at any time during the five-year period commencing from the date of issue of the warrants.

Pursuant to subscription agreement, 120,000,000 warrants were issued to Subscriber A during the year ended 31 December 2022. During the year ended 31 December 2022, warrants were issued on 7 November 2022. The estimated fair value of warrants granted on that date is HK\$66,923,000 which was arrived on the basis of valuation carries out by Royson Valuation Advisory Limited, an independent qualified professional valuer not connected to the Group.

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

Fair value (HK\$)	0.5577
Exercise price (HK\$)	0.5
Expected volatility	88.04%
Expected life (years)	5
Risk-free rate	4.10%
Expected dividend yield	0%

### 31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

#### *Warrants (Continued)*

The equity-settled share-based payments relating to warrants granted by the Company, no payment was charged to share-based payment expenses in profit or loss during the year ended 31 December 2025 (2024: Nil).

During the year ended 31 December 2025, 12,000,000 warrant shares have been issued and allotted to Subscriber A pursuant to the terms and conditions of the subscription agreement (2024: Nil). Further details of the issue of shares are set out in note 30 to the consolidated financial statements.

#### **Share option scheme**

The Company's share option scheme (the "Scheme") was adopted pursuant to the written resolutions of the shareholders passed on 19 April 2018.

Under the Scheme, the Board of Directors (the "Board") may at its discretion offer to any individual who is an employee of the Group (including directors) or any entity in which the Company holds any equity interest and such other persons (the "Participants") in the sole discretion of the Board, has contributed or will contribute to the Group of the options to subscribe for shares in the Company in accordance with the terms of the Scheme and Chapter 23 of the GEM Listing Rules. The principal purposes of the Scheme are to recognise and acknowledge the contributions made by the Participants, to attract skilled and experienced personnel, to incentivise them to remain with the Company and to motivate them to strive for the future development and expansion of the Group. The Scheme commenced on 19 April 2018 and will end on the day immediately prior to the tenth anniversary thereof.

The maximum number of shares in respect of which options may be granted under the Scheme and any other share option scheme of the Company may not exceed 10% of issued share capital of the Company, or may not exceed a maximum of 30%, should the shareholders renew the 10% limit, from time to time which have been duly allotted and issued. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted under the Scheme where applicable to a director, chief executive, substantial shareholder or management shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive directors who are the prospective grantees in question). In addition, any share options granted to a substantial shareholder or any independent non-executive director of the Company, or any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

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**31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS** (Continued)**Share option scheme** (Continued)

An option may be exercised in accordance with the terms of the Scheme where applicable at any time during the option period after the option has been granted by the Board. The option period, during which an option may be exercised, is determined by the Board under the Scheme, but may not be later than ten years after the date of the grant of the option. According to the Scheme where applicable, there is no provision requiring a minimum holding period before an option may be exercised. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option under the Scheme where applicable.

The exercise price will be determined by the Board under the Scheme, but may not be less than the higher of (i) the closing price of the Company's shares on GEM of the Stock Exchange on the date of the options granted; (ii) the average of the closing prices of the Company's shares on GEM of the Stock Exchange for the five trading days immediately preceding the date of the options granted; and (iii) the nominal value of the Company's shares.

Pursuant to share option scheme adopted by the Company on 19 April 2018 (the "Share Option Scheme"), no share options (2024: Nil) has been granted to eligible participants of the Group during the year ended 31 December 2025.

Details of movements in the Company's share options for the year ended 31 December 2025 and 2024:

As at 31 December 2025	Category	Date granted	Exercisable period (both dates inclusive)	Exercise price HK\$/ share	Outstanding as 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Outstanding at 31 December 2025
Directors	I	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	16,060,000	-	-	-	16,060,000
Employees	I	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	1,916,000	-	-	-	1,916,000
Consultant	I	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	1,760,000	-	-	-	1,760,000
Employees	II	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	1,116,000	-	-	-	1,116,000
Employees	I	17 June 2022	From 17 June 2023 to 16 June 2032	0.85	1,300,000	-	-	-	1,300,000
Consultants	I	17 June 2022	From 17 June 2023 to 16 June 2032	0.85	300,000	-	-	-	300,000
Directors	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	50,400,000	-	-	-	50,400,000
Senior Management	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	1,200,000	-	-	-	1,200,000
Employees	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	3,600,000	-	-	-	3,600,000
Consultants	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	3,000,000	-	-	-	3,000,000
Total					80,652,000	-	-	-	80,652,000

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**31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS** (Continued)

## Share option scheme (Continued)

As at 31 December 2024	Category	Date granted	Exercisable period (both dates inclusive)	Exercise price HK\$/ share	Outstanding as 1 January 2024	Granted during the year	Exercised during the year	Cancelled during the year	Outstanding at 31 December 2024
Directors	I	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	16,060,000	–	–	–	16,060,000
Employees	I	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	1,916,000	–	–	–	1,916,000
Consultant	I	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	1,760,000	–	–	–	1,760,000
Employees	II	28 January 2021	From 27 July 2021 to 27 January 2031	0.54	1,116,000	–	–	–	1,116,000
Employees	I	17 June 2022	From 17 June 2023 to 16 June 2032	0.85	1,600,000	–	–	(300,000)	1,300,000
Consultants	I	17 June 2022	From 17 June 2023 to 16 June 2032	0.85	300,000	–	–	–	300,000
Directors	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	50,400,000	–	–	–	50,400,000
Senior Management	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	1,200,000	–	–	–	1,200,000
Employees	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	3,600,000	–	–	–	3,600,000
Consultants	II	17 November 2022	From 17 November 2023 to 16 November 2032	0.79	3,000,000	–	–	–	3,000,000
<b>Total</b>					<b>80,952,000</b>	<b>–</b>	<b>–</b>	<b>(300,000)</b>	<b>80,652,000</b>

No option has been granted under the Scheme during the year ended 31 December 2025 and 2024.

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**31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS** *(Continued)*Share option scheme *(Continued)*

	2022 Options					
	Category I	Category I	Category II	Category II	Category II	Category II
	Employees	Consultants	Directors	Senior Management	Employees	Consultants
Fair value	0.4173	0.4173	0.5093	0.5093	0.4607	0.4607
Exercise price	0.85	0.85	0.79	0.79	0.79	0.79
Expected volatility	65.53%	65.53%	80.17%	80.17%	80.17%	80.17%
Expected life (years)	10	10	10	10	10	10
Risk-free rate	3.01%	3.01%	3.56%	3.56%	3.56%	3.56%
Expected dividend yield	0%	0%	0%	0%	0%	0%

	2021 Options				
	Category I	Category I	Category I	Category II	Category II
	Directors	Employees	Consultant	Director	Employees
Fair value	0.3187	0.2818	0.2818	0.3250	0.2950
Exercise price	0.54	0.54	0.54	0.54	0.54
Expected volatility	67.85%	67.85%	67.85%	67.85%	67.85%
Expected life (years)	10	10	10	10	10
Risk-free rate	0.63%	0.63%	0.63%	0.63%	0.63%
Expected dividend yield	0%	0%	0%	0%	0%

### 31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

#### Share option scheme *(Continued)*

The binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the valuer's best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

- Vesting schedule:
- (i) Category I of 2022 Options – 100% of the Options will be vested on, and exercisable from, the twelfth month of the Date of Grant;
  - (ii) Category II of 2022 Options – 100% of the Options will be vested on, and exercisable from, the twelfth month of the meeting their respective performance target;
  - (iii) Category I of 2021 Options – 100% of the Options will be vested on, and exercisable from, the sixth month of the Date of Grant; and
  - (iv) Category II of 2021 Options – 100% of the Options will be vested on, and exercisable from, the third month of the meeting their respective performance target.

No equity-settled share-based payment expenses relating to share options granted by the Company was recognised in profit or loss during the year ended 31 December 2025 (2024: Nil).

#### 2025 Share Award Scheme

The 2025 Share Award Scheme was adopted by the Company at the annual general meeting of the Company held on 30 June 2025.

The purpose of the 2025 Share Award Scheme is to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to eligible participants through aligning the interests of eligible participants with those of the Company and shareholders by providing them with an opportunity to acquire proprietary interests in the Company and become shareholders, and thereby encouraging eligible participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and shareholders as a whole.

### 31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

#### 2025 Share Award Scheme *(Continued)*

##### *Eligible participants*

The eligible participants under the 2025 Share Award Scheme comprise employee participants only. An employee participant is a person who

- a. is an employee (whether full-time or part-time);
- b. director or officer of any member of the Group on the Grant Date, including persons who are granted Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group, provided that a person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment amongst members of the Group or any successor, and provided further that a person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment.

In assessing the eligibility of Employee Participants, the Board will consider all relevant factors as appropriate, including, among others (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their contribution expected to be made to the growth of the Group with reference to their historical contribution; (iv) their length of engagement or employment with the Group; and (v) their educational and professional qualifications, and knowledge in the industry.

##### *Performance targets*

Pursuant to the 2025 Share Award Scheme, the shares to be awarded will be satisfied by of each of the individual performance targets:

- a. Subscribers of Cornerstone HOME reach 2,200;
- b. Members of Cornerstone GO reach 75,000;
- c. Recurring income (i.e. revenue derived from Cornerstone HOME and Cornerstone GO) reaches 20% or more of the Group's total revenue in respect of a financial year;
- d. Total revenue of the Group in respect of a financial year reaches HK\$200 million;
- e. Gross profit of the Group in respect of a financial year represents 15% or more of the Group's total revenue at a level not less than HK\$200 million;

### 31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

#### 2025 Share Award Scheme *(Continued)*

##### *Performance targets (Continued)*

- f. EBITDA (i.e. earnings before interest expenses and other finance costs, taxation, depreciation and amortisation) of the Group excluding share-based payment in respect of a financial year becomes positive:
- g. Average market capitalisation of the Company for 10 consecutive trading days on the Stock Exchange reaches HK\$1 billion:
- h. Completion of 250 EV charging stations in Thailand by the Group.

Performance targets (a), (b), (g) and (h) are assessed on a monthly basis by reference to the Group's internal records.

Performance targets (c), (d), (e) and (f) are assessed on an annual basis by reference to the Group's published audited financial results for each financial year ended 31 December.

##### *Scheme mandate limit*

The total number of Shares that may be issued pursuant to Awards to be granted under 2025 Share Award Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 10% of the Shares in issue (excluding treasury shares) as at the Share Award Scheme Adoption Date, i.e. 95,357,539.

##### *Vesting Period*

Vesting of the 2025 Share Award Scheme is subject to the fulfillment of the performance targets by the Company. 12.5% of the 2025 Share Award Scheme will be vested immediately upon each respective performance target set out below is achieved. In this regard, the vesting period of the 2025 Share Award Scheme granted is less than 12 months.

Subject to any early termination as may be determined by the Board pursuant to the terms thereof, the 2025 Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Share Award Scheme Adoption Date and ending on the 10th anniversary of the Share Award Scheme Adoption Date.

As at the date of this report, the remaining life of the 2025 Share Award Scheme was approximately 9.5 years.

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**31. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS** (Continued)**2025 Share Award Scheme** (Continued)

The share awards granted during the year are subject to eight individual performance targets. The fair value of each target was determined at the grant date as follows:

Performance target	Type of Condition	Fair Value per Share HK\$	Valuation methodology
a, b, c, d, e, f and h	Non-market Performance	<b>0.450</b>	Determined based on the closing market price of the Company's share on the date of grant.
g	Market Condition	<b>0.466</b>	Estimated by Monte-Carlo Simulation Stock price: HK\$0.45 Expected volatility: 73.78% Risk-free rate: 2.12%

Movements in number of performance shares awarded under the 2025 share award scheme during the years ended 31 December 2025 and 2024 are as follows:

	2025	2024
Number of awarded shares:		
As at 1 January	-	-
Granted	<b>94,199,200</b>	-
Vested	<b>(23,549,800)</b>	-
As at 31 December	<b>70,649,400</b>	-

The Group recognised share-based payment expenses of approximately HK\$19,766,000 for the year ended 31 December 2025 (2024: Nil) in relation to awarded shares granted by the Company under the 2025 Share Award Scheme.

## 32. RETIREMENT BENEFITS SCHEME

### Defined contribution plans

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in A Land. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The total expense recognised in profit or loss of approximately HK\$1,317,000 (2024: HK\$1,402,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

The Group joins a MFP Scheme for their qualifying employees in Hong Kong.

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are both required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount is HK\$1,500 per employee per month.

### Obligation to pay long service payment (the "LSP") under Hong Kong Employment Ordinance (Chapter 57)

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment)  $\times$  2/3  $\times$  Years of service

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has impact on the Group's LSP liability with respect to employees that participate in MPF Scheme.

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**33. CAPITAL RISK MANAGEMENT**

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividend to equity owners, call for additional capital from equity owners or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the year ended 31 December 2025 and 2024.

**34. FINANCIAL INSTRUMENTS****Categories of financial instruments**

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Financial assets		
Loans and receivables (including cash and cash equivalents)	<b>66,339</b>	127,382
<hr/>		
Financial liabilities – Amortised cost	<b>233,997</b>	263,523
Lease liabilities	<b>3,567</b>	5,340
<hr/>		

**Financial risk management objectives and policies**

The Group's major financial instruments comprise of contract assets, trade and other receivables, deposits, amounts due from an associate, bank balances and cash, trade and other payables, other borrowings, Convertible Note and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

**Currency risk**

During the years ended 31 December 2025 and 2024, several subsidiaries of the Company and the Company have foreign currency transactions and foreign currency borrowings, which expose the Group to foreign currency risk.

The management considers the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the functional currency of HK\$.

As at 31 December 2025 and 2024, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

### 34. FINANCIAL INSTRUMENTS (Continued)

#### Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the fixed-rate bank deposits. However, management considers the fair value interest rate risk is insignificant as they are relatively short-term.

The Group is mainly exposed to cash flow interest rate risk in relation to floating-rate bank balances and other borrowings as at 31 December 2025 and 2024. It is the Group's policy to keep its bank balances and other borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

For the years ended 31 December 2025 and 2024, the Group's exposure to interest rate risk on financial liabilities is detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate arising from the Group's floating rate other borrowings.

#### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for floating-rate borrowings and bank balances at the end of the reporting period. The analysis is prepared assuming the outstanding amount at the end of the reporting period was outstanding for the whole year.

For the years ended 31 December 2025 and 2024, 50 basis points increase or decrease for borrowings and bank balances is used, when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates for borrowings and bank balances.

If interest rates had been higher/lower as indicated above, and all other variables were held constant, the Group's post-tax loss for the year would increase/decrease by approximately HK\$692,000 (2024: post-tax loss for the year would increase/decrease by approximately HK\$728,000).

### 34. FINANCIAL INSTRUMENTS *(Continued)*

#### **Credit risk and impairment assessment**

The carrying amount of financial assets recognised on the consolidated statement of financial position represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements. The Group's credit risk exposures are primarily attributable to trade and other receivables, deposits, contract assets and bank balances.

#### ***Trade receivables and contract assets arising from contracts with customers***

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval from the management of the Group. The Group limits its exposure to credit risk from trade receivables and contract assets by establishing a maximum payment period of 60 days.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

As at 31 December 2025, the Group had no concentration of credit risk (2024: Nil) of the total trade receivables and contract assets was due from the Group's largest customer and approximately 15% (2024: 58%) of the total trade receivables and contract assets was due from the Group's five largest customers.

**34. FINANCIAL INSTRUMENTS** *(Continued)*

**Credit risk and impairment assessment** *(Continued)*

**Trade receivables and contract assets arising from contracts with customers** *(Continued)*

The Group's customer base consists of a wide range of customers and the trade receivables and contract assets are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and contract assets and recognises loss allowances based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the year ended 31 December 2025 and 2024.

After the consideration of no significant default history in settlement or recurring overdue records of the customers and the forward-looking factors, the management estimates that the ECL for trade receivables and contract assets is reversed of approximately HK\$1,200,000 (2024: impairment loss of HK\$89,000).

The Group does not hold any collateral over trade receivables as at 31 December 2025 and 2024.

For the year ended 31 December 2025

**34. FINANCIAL INSTRUMENTS** *(Continued)***Credit risk and impairment assessment** *(Continued)***Trade receivables and contract assets arising from contracts with customers** *(Continued)*

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its printing business and electric vehicle charging business because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

**Trade receivables**

	Average lifetime expected credit loss rate	
	2025	2024
Current (not past due)	1%	1%
1-30 days past due	0%	1%
31-60 days past due	2%	1%
61-90 days past due	13%	1%
More than 90 days past due	0%	46%

For the year ended 31 December 2025

**34. FINANCIAL INSTRUMENTS** (Continued)**Credit risk and impairment assessment** (Continued)**Other receivables and deposits**

The management of the Group considers that the other receivables and deposits have low credit risk based on its strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables and deposits is measured on 12-month ECL and reflects the short maturities of the exposures. In estimating the ECL, the management of the Group has taken into account the historical actual credit loss experience over the past three years and the financial position of the counterparties, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of other receivables and deposits to be insignificant after taking into account the financial position and credit quality of the counterparties and thus no loss allowance was recognised for the year ended 31 December 2025 and 2024. There was no change in the estimation techniques or significant assumptions made during the year ended 31 December 2025 and 2024.

**Bank balances**

The credit risk for bank balances is considered as not material as such amounts are placed in banks with good reputation.

The Group's internal credit risk grading assessment comprises the following categories:

<b>Internal credit rating</b>	<b>Description</b>	<b>Trade receivables/ contract assets</b>	<b>Other financial assets/ other items</b>
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

For the year ended 31 December 2025

**34. FINANCIAL INSTRUMENTS** (Continued)**Credit risk and impairment assessment** (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

		External Notes credit rating	Internal credit rating	12m or lifetime ECL	<b>2025 Gross carrying amount HK\$'000</b>	2024 Gross carrying amount HK\$'000
Trade receivables	22	N/A	Low risk (Note i)	Lifetime ECL – not credit-impaired	<b>7,253</b>	26,533
		N/A	Watch list (Note i)	Lifetime ECL – not credit-impaired	<b>4,062</b>	18,115
		N/A	Doubtful (Note i)	Lifetime ECL – not credit-impaired	<b>2,029</b>	2,571
Contract assets	21	N/A	Low risk (Note ii)	Lifetime ECL – not credit-impaired	<b>1,615</b>	15,819
Other receivables and deposits	22	N/A	Low risk (Note ii)	12m ECL	<b>8,993</b>	13,485
Bank balances	23	BBB+ to AA-	N/A	12m ECL	<b>47,943</b>	52,201

*Note:* (i) The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance of lifetime ECL. The Group determines the ECL on these items by using a provision matrix, grouped by aging of receivables.

During the year ended 31 December 2025, approximately HK\$1,200,000 net impairment loss allowance (2024: recognised of HK\$89,000) related to trade receivables was reversed in profit or loss.

For the year ended 31 December 2025

**34. FINANCIAL INSTRUMENTS** *(Continued)***Credit risk and impairment assessment** *(Continued)**Note:* (i) *(Continued)*

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	<b>Lifetime ECL (not credit- impaired) HK\$'000</b>
At 1 January 2024	1,304
Changes due to trade receivables recognised at 1 January 2024: Impairment loss recognised	89
At 31 December 2024	1,393
Changes due to trade receivables recognised at 1 January 2025: Impairment loss reversed	(1,200)
At 31 December 2025	193

- (ii) In determining the ECL of contract assets and other receivables, the Group has taken into account the historical default experience and forward looking information as appropriate. There had been no significant increase in credit risk since initial recognition. The Group has considered the consistently low historical default rate in connection with payments and concluded that the ECL on these balances is immaterial.

**Liquidity risk**

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets (e.g. trade receivables) and projected cash flows from operations.

The Group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and cash equivalents as well as adequate banking facilities to meet its operation needs at any time.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specially, bank and other borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

For the year ended 31 December 2025

**34. FINANCIAL INSTRUMENTS (Continued)****Liquidity risk (Continued)**

	Weighted average effective interest rate %	On demand HK\$'000	1-3 months HK\$'000	3 months to 1 year HK\$'000	1-5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
<b>As at 31 December 2025</b>							
<b>Non-derivative financial liabilities</b>							
Trade and other payables	N/A	-	49,184	-	-	49,184	49,184
Other borrowings	12.70	-	2,484	69,755	40,932	113,171	101,315
Convertible Note	11.26	-	-	-	124,280	124,280	83,498
Lease liabilities	5.15	312	624	2,575	155	3,666	3,567
		312	52,292	72,330	165,367	290,301	237,564
<b>As at 31 December 2024</b>							
<b>Non-derivative financial liabilities</b>							
Trade and other payables	N/A	-	74,456	-	-	74,456	74,456
Other borrowings	11.41	16,023	2,475	7,380	107,664	133,542	114,641
Convertible Note	11.26	-	-	-	124,280	124,280	74,426
Lease liabilities	5.00	-	728	2,182	2,667	5,577	5,340
		16,023	77,659	9,562	234,611	337,855	268,863

**Fair value measurement of financial instruments**

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For the instrument with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation.

For the year ended 31 December 2025

**34. FINANCIAL INSTRUMENTS** (Continued)

## Fair value measurement of financial instruments (Continued)

**Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2025 HK\$'000	2024 HK\$'000			
1. Derivate component in relation to the Convertible Note issued by the Group	99,246	88,275	Level 3	Binomial option pricing model	Expected volatility of 73.97% (2024: 70.00%). The higher the expected volatility, the higher the fair value  Risk-free rate of 2.35% (2024: 3.29%). The higher the risk-free rate, the lower the fair value  Stock price of HK\$0.56 (2024: HK\$0.52). The higher the stock price, the lower the fair value  Effective interest rate of 11.52% (2024: 11.26%). The higher effective interest rate, the lower the fair value

There were no transfers between Level 1 and Level 2 and no transfer into or out of Level 3 for value measurements for the year ended 31 December 2025 and 2024.

For the year ended 31 December 2025

**34. FINANCIAL INSTRUMENTS** (Continued)

## Fair value measurement of financial instruments (Continued)

**Reconciliation of Level 3 fair value measurement of financial liability**

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Derivate component in relation to the Convertible Note issued by the Group		
At 1 January	<b>88,275</b>	-
Issue of Convertible Note	-	81,559
Loss on fair value change	<b>10,971</b>	6,716
	<hr/>	
At 31 December	<b>99,246</b>	88,275

Except for the financial liabilities that are measured at fair value on a recurring basis, the directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

For the year ended 31 December 2025

**35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to former director <i>HK\$'000</i>	Other borrowings <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>	Convertible Note <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	526	57,720	8,055	–	66,301
Financing cash flows ( <i>note</i> )	(526)	43,564	(3,055)	92,384	132,367
<i>Finance cost</i>	–	13,212	340	630	14,182
Exchange difference	–	145	–	–	145
Other non-cash movement	–	–	–	(18,588)	(18,588)
At 31 December 2024	–	114,641	5,340	74,426	194,407
Financing cash flows ( <i>note</i> )	–	(10,241)	(3,687)	–	(13,928)
New lease entered	–	–	1,762	–	1,762
Lease termination	–	–	(116)	–	(116)
<i>Finance cost</i>	–	13,101	268	9,072	22,441
Exchange difference	–	(162)	–	–	(162)
Other non-cash movement	–	(16,024)	–	–	(16,024)
At 31 December 2025	–	101,315	3,567	83,498	188,380

*Note:* The financing cash flows represented the net amount of repayment to former director, new borrowing raised, repayment of other borrowings and lease liabilities and issue of convertible note, net of issuance costs.

For the year ended 31 December 2025

**36. RELATED PARTY TRANSACTIONS**

- (a) Details of related parties balances are as follows:

Name of related parties	Balance	
	2025 HK\$'000	2024 HK\$'000
Balances included in "account receivables":		
Amounts due from an associate ( <i>note (i), note 22</i> )	300	-
Balances included in "other receivables":		
Amounts due from an associate ( <i>note (i), note 22</i> )	-	3,768
Balances included in "other payables":		
Amounts due to an associate ( <i>note (i), note 24</i> )	1,639	-

*Note:*

- (i) These balances are unsecured, interest free and to be settle according to the relevant trading terms.
- (b) In addition to the transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, the Group had the following related party transactions during year ended 31 December 2025 and 2024:

	2025 HK\$'000	2024 HK\$'000
Sales income from an associate	31,559	9,926
Other service income from an associate	5,624	-

- (c) Remuneration for key management personnel (including directors) of the Group:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	10,981	10,552
Contributions to defined contribution retirement scheme	105	90
Share-based payment expenses	19,766	-
	<b>30,852</b>	<b>10,642</b>

Further details of the directors' emoluments are set out in note 11 to the consolidated financial statements.

For the year ended 31 December 2025

### 37. DISPOSAL OF SUBSIDIARIES

On 17 July 2024, the Company entered into a bought and sold note with an independent third party (the "Buyer"). Pursuant to the bought and sold note, the Buyer agreed to acquire 51% issued share capital in Cornerstone Technologies Golden Century Holdings Limited at the transfer consideration of approximately HK\$51. After completion of the above disposal on 17 July 2024, Cornerstone Technologies Golden Century Holdings Limited ceased to be subsidiary of the Company.

The consideration received from buyer is HK\$51, net liabilities disposed is approximately HK\$16,000, the non-controlling interests is approximately HK\$8,000. The gain on disposal of the subsidiary is approximately HK\$8,000. No cash outflow arising from disposal of subsidiary.

On 12 November 2024, the Company entered into a sale and purchase agreement (the "S&P Agreement") with an independent third party (the "Buyer"). Pursuant to the S&P agreement, the Buyer agreed to acquire 100% issued share capital in 基石電動車科技(廣州)有限公司 at the transfer consideration of approximately HK\$0. After completion of the above disposal on 14 November 2024, 基石電動車科技(廣州)有限公司 ceased to be subsidiary of the Company.

No consideration received from buyer, the net assets disposed is approximately HK\$4,000. The loss on disposal of the subsidiary is approximately HK\$4,000. The net cash outflow arising from disposal of the subsidiary is approximately HK\$4,000.

The net gain on disposed of subsidiaries are approximately HK\$4,000 for the year ended 31 December 2024.

For the year ended 31 December 2025

**38. PARTICULARS OF MAJOR SUBSIDIARIES OF THE COMPANY**

Particulars of major subsidiaries of the Company at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/ operation	Date of incorporation	Issued and paid-up share capital	Attributable equity interest of the Group as at 31 December		Principal activities
				2025	2024	
<b>Directly held</b>						
Cornerstone EV Holdings Limited	The BVI	6 June 2018	US\$1	100%	100%	Investment holding
<b>Indirectly held</b>						
Cornerstone EV Charging Service Limited	Hong Kong	10 July 2018	HK\$15,007,852	100%	100%	Provision for electric vehicle charging solutions services and sales of electric vehicle charging systems
Cornerstone EV International Solution Limited	Hong Kong	25 February 2022	HK\$1,000	100%	100%	Sales of electric vehicle charging systems
Cornerstone E-Fleet Management Limited	Hong Kong	9 March 2023	HK\$1,000	100%	100%	Leasing
Cornerstone EV Charging Contracting Limited	Hong Kong	25 February 2022	HK\$1,000	100%	100%	Sales of electric vehicle charging systems

*For the year ended 31 December 2025*

**38. PARTICULARS OF MAJOR SUBSIDIARIES OF THE COMPANY** *(Continued)*

None of the subsidiaries had issued any debt securities at 31 December 2025 and 2024 or at any time during the reporting year and prior period.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, materially affected the results of the Group or formed a substantial portion of the net assets. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

As at 31 December 2025 and 2024, equity interests of certain of the Company's subsidiaries have been pledged for securing the Group's green loan facilities.

**39. COMPARATIVE FIGURES**

Certain comparative figures have been re-presented to conform with current year's presentation. These re-presentations have no impact on the Group's total equity as at 31 December 2025 and 31 December 2024, or on the Group's results for the year ended 31 December 2025 and 2024.

For the year ended 31 December 2025

**40. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY**

Pursuant to the Hong Kong Companies Ordinance, the statement of financial position of the Company and the movements in its reserves is set out below:

	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>		
Investments in subsidiaries	—	—*
Amount due from a subsidiary	280,066	272,937
	<b>280,066</b>	272,937
<b>Current assets</b>		
Amounts due from subsidiaries	135,616	135,397
Other receivables and prepayment	9,567	7,335
Bank balances	14,875	19,722
	<b>160,058</b>	162,454
<b>Current liabilities</b>		
Other payables	18,778	20,797
Other borrowings	61,662	16,023
	<b>80,440</b>	36,820
<b>Net current assets</b>	<b>79,618</b>	125,634
<b>Total assets less current liabilities</b>	<b>359,684</b>	398,571
<b>Non-current liability</b>		
Other borrowings	—	59,653
Convertible Note	83,498	74,426
Derivative liability of Convertible Note	99,246	88,275
	<b>182,744</b>	222,354
<b>NET ASSETS</b>	<b>176,940</b>	176,217
<b>Capital and reserves</b>		
Share capital	10,406	9,536
Reserves	166,534	166,681
<b>TOTAL EQUITY</b>	<b>176,940</b>	176,217

\* Represent the amounts less than HK\$1,000

The statement of financial position was approved and authorised for issue by the Board of Directors on 30 March 2026 and signed on its behalf by

**LIANG Zihao**  
Director

**LI Man Keung Edwin**  
Director

For the year ended 31 December 2025

**40. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)****Movement in the Company's reserves**

	Share premium <i>HK\$'000</i>	Share-based payments reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	354,153	100,906	(228,770)	226,289
Loss and total comprehensive expense for the year	–	–	(98,962)	(98,962)
Issue of shares pursuant to the share subscription	15,805	–	–	15,805
Issue of shares pursuant to the share placement	23,599	–	–	23,599
Transaction cost attribute to issue of shares	(50)	–	–	(50)
Cancelled of shares pursuant to the share option scheme	–	(125)	125	–
At 31 December 2024	393,507	100,781	(327,607)	166,681
Loss and total comprehensive expense for the year	–	–	(62,987)	(62,987)
Issue of shares pursuant to the share subscription	26,455	–	–	26,455
Issue of shares pursuant to the share placement	13,272	–	–	13,272
Issue of warrant share	5,880	–	–	5,880
Transaction cost attribute to issue of shares	(2,533)	–	–	(2,533)
Recognition of equity-settled share based payment	–	19,766	–	19,766
At 31 December 2025	436,581	120,547	(390,594)	166,534

# Financial Summary

A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years is as follows.

## Results of the Group

	<b>For the year ended 31 December 2025 HK\$'000</b>	2024 HK\$'000	For the year ended 31 December			2021 HK\$'000
			2023 HK\$'000	2022 HK\$'000		
<b>Revenue</b>	<b>125,214</b>	153,126	78,132	31,826	55,032	
<b>Loss before tax</b>	<b>(115,382)</b>	(144,403)	(106,578)	(132,242)	(60,933)	
<b>Income tax credit/(expense)</b>	<b>175</b>	174	172	2,266	(1,066)	
<b>Loss for the year</b>	<b>(115,207)</b>	(144,229)	(106,406)	(129,976)	(61,999)	
<b>Total comprehensive expense for the year</b>	<b>(112,582)</b>	(144,229)	(106,406)	(129,976)	(61,999)	
<b>Total comprehensive expense for the year attributable to owners of the Company</b>	<b>(112,582)</b>	(144,229)	(106,402)	(192,972)	(61,364)	

## Assets and liabilities of the Group

	<b>As at 31 December 2025 HK\$'000</b>	2024 HK\$'000	As at 31 December			2021 HK\$'000
			2023 HK\$'000	2022 HK\$'000		
<b>Non-current assets</b>	<b>236,660</b>	235,187	125,362	124,307	124,401	
<b>Current assets</b>	<b>86,815</b>	141,484	94,778	45,772	45,613	
<b>Total assets</b>	<b>323,475</b>	376,671	220,140	170,079	170,014	
<b>Current liabilities</b>	<b>133,504</b>	97,446	41,103	80,857	56,868	
<b>Non-current liabilities</b>	<b>237,600</b>	277,982	73,601	38,331	51,478	
<b>Net (liabilities)/assets</b>	<b>(47,629)</b>	1,243	105,436	50,891	61,668	