



Jiu Rong Holdings Limited **久融控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 2358)

ANNUAL REPORT
2024/2025

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Chen Yunxiang

Ms. Liu Bingjie (appointed on 6 March 2025)

Mr. Yan Zhendong (appointed on 6 March 2025)

Ms. Chen Shan (resigned on 6 March 2025)

Independent Non-executive Directors

Mr. Chen Zheng

Mr. Wong Chi Kin

Mr. Hua Nengdong

AUDIT COMMITTEE

Mr. Wong Chi Kin (*Chairman*)

Mr. Chen Zheng

Mr. Hua Nengdong

NOMINATION COMMITTEE

Mr. Chen Yunxiang (*Chairman*)

Ms. Liu Bingjie (appointed on 6 March 2025)

Mr. Hua Nengdong

Mr. Chen Zheng

Mr. Wong Chi Kin

REMUNERATION COMMITTEE

Mr. Chen Zheng (*Chairman*)

Mr. Wong Chi Kin

Mr. Hua Nengdong

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat 8, 49/F.

Office Tower

Convention Plaza

1 Harbour Road

Wanchai

Hong Kong

COMPANY SECRETARY

Mr. Koon Wai Hung

AUTHORISED REPRESENTATIVES

(for the purposes of the listing rules, to accept service of process and notices under Part XI of the Hong Kong Companies Ordinance)

Mr. Chen Yunxiang

Mr. Koon Wai Hung

AUDITOR

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditors

23/F, Tower 2

Enterprise Square Five

38 Wang Chiu Road

Kowloon Bay

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Gardenia Court, Camana Bay

Grand Cayman KY1-1100

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Rooms 1712-16, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

PRINCIPAL BANKERS

China Everbright Bank Company Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited: 2358

WEBSITE

<http://www.irasia.com/listco/hk/2358>

<http://www.jiurongkg.com>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overall Financial Results

The board (the “**Board**”) of directors (the “**Directors**”) of Jiu Rong Holdings Limited (the “**Company**”) is pleased to present this annual report and audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the eighteen months ended 30 June 2025 (the “**Period**”) to the shareholders of the Company.

For the eighteen months ended 30 June 2025, the Group achieved turnover of approximately HK\$875,247,000, representing an increase of approximately 86% from approximately HK\$471,779,000 in the year ended 31 December 2023. The Group recorded gross profit of approximately HK\$60,814,000, representing a decrease of approximately 1% from approximately HK\$61,739,000 in the year ended 31 December 2023. The Group incurred a loss of approximately HK\$306,263,000, representing a decrease of approximately 20% from approximately HK\$383,293,000 in the year ended 31 December 2023. For the year ended 31 December 2023, basic loss per share of the Company was approximately HK7.00 cents while basic loss per share for the eighteen months ended 30 June 2025 was approximately HK5.60 cents. As at 30 June 2025, balance of cash and cash equivalents of the Group were approximately HK\$2,971,000 (2023: approximately HK\$4,247,000).

Turnover

For the Period under review, the Group recorded turnover of approximately HK\$875,247,000 which was mainly contributed by the Digital Video Business, the New Energy Vehicles Business, Cloud Ecological Big Data Business, Properties Investments, Properties Development and general trading.

In 2025, the Group’s business has six (2023: six) reporting segments.

Business Operations

(i) *Digital Video Business*

The Group through its wholly owned subsidiaries, Soyea Jiu Rong Technology Co., Ltd.* (數源久融技術有限公司) (“**Soyea Jiu Rong**”) and Zhe Jiang Jiu Rong Intelligent Technology Limited* (浙江久融智能技術有限公司) (“**Jiu Rong Intelligent**”) carries out the research and development, manufacturing and sales of smart television and digital television (“**TV**”), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of tele-communication, TV and internet in the digital audio visual industry.

(ii) *New Energy Vehicles Business*

The Group through its wholly owned subsidiary, Jiu Rong New Energy Science and Technology Limited* (久融新能源科技有限公司) (“**Jiu Rong New Energy**”) carries out the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems and processing services in relation to new energy vehicles spare parts.

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

(iii) *Cloud Ecological Big Data Business*

The Group through its wholly owned subsidiary, Hangzhou Yunqi Cloud Data Limited* (杭州雲棲雲數據有限公司) ("**Yunqi Cloud Data**") carries out the application and management of cloud ecological big data.

(iv) *Properties Development*

The Group through its wholly owned subsidiary, Hangzhou Lu Yun Property Limited* (杭州綠雲置業有限公司) ("**Lu Yun**") carries out the properties development of big data industrial park in Hangzhou. It is expected that the park will establish a "Cloud Ecological System" to build a new generation of information technology (such as AR/VR, face recognition, digital maps, etc.) and communication technology, such as Internet of Things, big data, cloud computing, (such as 5G, LTE-V, NB-IOT, etc.) throughout the cloud industry park in all aspects, to create the country's first all-intelligent perception, interoperability cloud ecological park. The Group completed (i) the acquisition of 46% equity interests of Heilongjiang Xin Luzhou Real Estate Development Limited* (黑龍江新綠洲房地產開發有限公司) ("**Xin Luzhou**") in 2018, Xin Luzhou will be an associate of the Company to principally engage in the development of industrial park, commercial and residential properties in Limin Avenue, Limin Development Zone, Harbin, the PRC; and (ii) the formation of Wen Zhou Jing Du Guan Rong Technology Co., Limited* (溫州市景都冠榮科技有限公司) ("**Jing Du Guan Rong**") in 2022, Lu Yun is interested in 48% equity interests in Jing Du Guan Rong and Jing Du Guan Rong will be an associate of the Company to principally engaged in the industrial park and Properties Development business. In the fourth quarter of 2023, Jing Du Guan Rong terminated the property development project and applied to the relevant government authorities to withdraw the land-use rights.

(v) *Properties Investments*

The Group through its wholly owned subsidiary, Lu Yun to conduct the properties investment for rental income from the big data industrial park in Hangzhou. The property is located at Liuhe Mansion, Shanjing Road, West Lake District, Hangzhou, Zhejiang Province, the PRC. It comprises seven mixed-use commercial and office buildings with a total of 164 property units and 378 parking spaces. The land use right is for a term of 40 years, expiring on 27 June 2050.

(vi) *General Trading*

General trading of commodities and goods.

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit Margin

During the Period under review, the gross profit margin decreased from approximately 13.09% to 6.95%.

Expenses

During the Period under review, the Group continued to enforce stringent cost control measures across its operations. Management remains committed to maintaining robust expense discipline as a means of safeguarding financial stability and enhancing shareholder value. To this end, the Group further strengthened its cost control framework through regular reviews and updates to internal procedures, ensuring that efficiency targets are consistently met.

Financial Position and Liquidity

As at 30 June 2025, the gearing ratio was 0.74 (2023: 0.74), which was measured on the basis of the Group's net debt divided by the capital plus net debt. The Group had net current liabilities as at 30 June 2025 and 31 December 2023.

For the Period under review, the Group used approximately HK\$316,849,000 (2023: used approximately HK\$1,156,000) of cash in its operations. As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$2,971,000 (2023: approximately HK\$4,247,000).

As at 30 June 2025, deficit in shareholders' equity was approximately HK\$236,424,000 (2023: surplus in shareholders' equity of approximately HK\$82,936,000). Current assets of the Group amounted to approximately HK\$797,025,000 (2023: HK\$853,883,000).

As at 30 June 2025, the Group's net debts amounted to approximately HK\$2,056,955,000 (2023: net debts of approximately HK\$2,107,091,000). Trade and notes receivables decreased from approximately HK\$394,453,000 as at 31 December 2023 to approximately HK\$318,071,000 as at 30 June 2025.

During the Period under review, the Group provided an expected credit loss of approximately HK\$10,031,000 on trade receivables (2023: approximately HK\$98,193,000), an expected credit loss on other receivables of HK\$15,193,000 (2023: approximately HK\$51,168,000) and an impairment loss on property, plant and equipment of HK\$Nil (2023: HK\$91,655,000).

In 2024 and the first half of 2025, the downturn in China's property market resulted in significant fair value losses on the Group's investment properties of approximately HK\$120,803,000 (2023: approximately HK\$25,723,000). Details of the valuation techniques and inputs are disclosed in Note 8(c). In 2025, the escalation of tariff-related tensions posed considerable challenges for small and medium-sized enterprises in China, adversely affecting their cash flow and profitability. Consequently, there was a continued increase in the number of defaults and overdue repayments by debtors. Given the heightened credit risk and limited recovery prospects, the Group's debtors have faced ongoing difficulties in resuming normal business operations. As a result, the Group has recognised further impairment losses. Details of the input values, benchmarks and assumptions adopted in the valuation of expected credit losses on trade receivables and other receivables are disclosed in Notes 27 and 28 to the consolidated financial statements, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's impairment assessment policy on the loss allowances for expected credit losses was set out in note 4 to the consolidated financial statements. As at the date of this annual report, there are no subsequent changes to the valuation methods as referred to above following their adoption.

Pledged of Assets

As at 30 June 2025, the Group has pledged certain of its bank deposit of approximately HK\$52,753,000 (2023: HK\$40,975,000), properties held for sale of approximately HK\$82,439,000 (2023: HK\$68,163,000), investment properties of approximately HK\$603,090,000 (2023: HK\$654,071,000) and trade receivables of approximately HK\$23,687,000 (2023: HK\$13,537,000) to secure bank loans and its notes payables.

Significant Investments, significant acquisitions and disposals

During the period under review, as disclosed in the Company's circular dated 26 May 2025 titled "Major Transaction in Relation to the Disposal of Sale Shares", the Group disposed of all equity investments listed outside Hong Kong that were classified as equity investments at fair value through other comprehensive income, is expected resulting in a disposal gain of approximately HK\$22,834,000.

Furthermore, as disclosed in the Company's circular dated 26 May 2025 titled "Possible Major Transaction – Mandate For Disposal(s) of Listed Securities", the Company disposed of a total of 7,570,000 shares in Sundry Service Group Limited, classified as investments at fair value through profit or loss, on the open market between 11 November 2024 and 3 March 2025, at prices ranging from approximately HK\$0.162 to HK\$0.230 per share.

Since the issuance of the aforementioned circular, the Company has not undertaken any further disposals of the said listed securities. Save as disclosed above, during the reporting period, the Group did not hold any major investments, nor did it have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Capital Structure

During the Period under review, there was no change in the Company's capital structure.

Risk of Intense Competition

The Group's Digital Video Business faces intense competition and such competition puts downward pressure on the price of the products of the Digital Video Business. The Group's market position depends on the ability to estimate and manage competition, including the introduction of new or improved products and services, pricing strategies of competitors and preferences of customers. If the Group fails to maintain competitive price of similar products or services or provide distinctive products or services, it may lose its customers to competitors. Moreover, competition may cause reduction in price, gross profit margin and market share of the Group.

Risk of Unstable Electricity Supply

The New Energy Vehicles Business relies on stable supplies of electricity to charge electric vehicles. In order to ensure the stable supply of electricity and lower the electricity cost, the charging session mainly scheduled from mid night to 4 a.m. whereas the social demand of electricity and electricity fee is at the lowest level.

MANAGEMENT DISCUSSION AND ANALYSIS

Charging Safety

The most critical risk of the New Energy Vehicles Business is charging safety. The Group has implemented staff manual to guide the staff how to operate the charging piles and the charging piles will stop automatically when abnormal charging incidents happened so as to keep the high safety level.

Foreign Exchange and Currency Risks

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Contingent Liabilities and Capital Commitments

The Group does not have any contingent liability in the Period under review (2023: Nil). The Group had capital commitment of approximately HK\$17,385,000 in the Period under review (2023: approximately HK\$150,449,000).

Employees and Remuneration Policy

As at 30 June 2025, there were 248 employees (2023: 395 employees) in the Group. The total amount of employee remuneration incurred for the Period was approximately HK\$111,838,000 (2023: approximately HK\$90,563,000). The Group determines employees' remuneration by the work responsibilities, job performance and professional experience. The Group also provides employees on-job training from time to time to upgrade the knowledge, skills and overall calibre of its employees.

The Group operates a Mandatory Provident Fund scheme (the "**MPF Scheme**") for the benefit of its employees in Hong Kong. Contributions to the MPF Scheme are made in accordance with the statutory limits prescribed by the Mandatory Provident Fund Schemes Ordinance. Pursuant to the relevant laws and regulations in the PRC, the Group participates in the defined contribution retirement schemes for its employees, which are administered by local government labour and social security authorities (the "**PRC Retirement Schemes**"). The Group makes contributions to these schemes at the applicable rates based on amounts stipulated by the local government authorities. Upon retirement, the local government labour and social security authorities are responsible for the payment of retirement benefits to the retired employees.

The assets of the MPF Scheme and the PRC Retirement Schemes are held separately from those of the Group, are independently administered and are not included in the consolidated statement of financial position. Contributions are charged to profit or loss as incurred. Forfeited contributions represent contributions made for employees who leave prior to vesting and are retained by the employer. There were no forfeited contributions during the eighteen months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company's directors' remuneration policy is designed to attract, retain and motivate high-calibre directors by offering a competitive remuneration package that reflects their responsibilities, experience and prevailing market conditions. The remuneration components for the Executive Directors primarily comprise basic salary, discretionary bonuses linked to their performance, and other benefits such as allowances and retirement schemes. Independent Non-Executive Directors receive fixed fees in recognition of their oversight and advisory roles, without equity-based incentives, in order to maintain their independence and objectivity.

Senior management remuneration is structured according to levels of responsibility and performance achievements, ensuring alignment with the Company's strategic objectives and the creation of long-term shareholder value. The Board reviews the remuneration policy annually and, where necessary, seeks advice from independent remuneration consultants to ensure that it remains appropriate and competitive.

Detailed disclosure of the remuneration paid to individual directors and senior management, categorised by remuneration bands, is provided in the section entitled "Directors' and Five Highest Paid Individuals' Emoluments" in the notes to the consolidated financial statements.

Event After the Reporting Period

On 28 August 2025, the Group disposed of approximately 5.22% of the equity interest in Hangzhou East Software Park Co., Ltd. to Hangzhou Yihe Network Co., Ltd. for a consideration of RMB36,487,800.

On 10 September 2025, the Group entered into an equity transaction agreement with Nanjing GWDR Power Technology Co., Ltd., pursuant to which the Group agreed to transfer 100% of the equity interest in its indirect wholly-owned subsidiary, Jiangsu Jiurong Integrated Energy Service Limited ("**Jiangsu Jiurong**"), together with 13 electric vehicle charging stations, for a consideration of RMB6,870,000 and a transaction service fee of RMB124,004. The purchaser also agreed to repay, on behalf of Jiangsu Jiurong, a loan owed to the Group in the principal amount of RMB1,060,000 together with accrued interest of approximately RMB18,000.

On 15 September 2025, Soyea Jiu Rong, an indirect wholly-owned subsidiary of the Company, Yunqi Cloud Data, an indirect wholly-owned subsidiary of the Company, Westlake Electronics Group Co., Ltd. ("**Westlake Electronics**"), a creditor of Soyea Jiu Rong, entered into a claim swap agreement with Hangzhou Soyea Park Development Co., Ltd. ("**Hangzhou Soyea**"), a creditor of Yunqi Cloud Data. Pursuant to this agreement, the repayment obligation of RMB148,600,000 (equivalent to approximately HK\$162,836,000) from Soyea Jiu Rong to Westlake Electronics was transferred to Yunqi Cloud Data, the repayment obligation of RMB148,600,000 (equivalent to approximately HK\$162,836,000) from Yunqi Cloud Data to Hangzhou Soyea was transferred to Soyea Jiu Rong. Soyea Jiu Rong and Suzhou Sutou Precious Metals Culture Development Co., Ltd. ("**Suzhou Sutou**"), a debtor of Soyea Jiu Rong entered into a debt agreement with Hangzhou Soyea, a creditor of Soyea Jiu Rong. Pursuant to this agreement, Suzhou Sutou repaid the debt amounting to RMB99,111,000 (equivalent to approximately HK\$108,606,000) to Hangzhou Soyea on behalf of Soyea Jiu Rong, resulting in the netting off between the amounts due from Suzhou Sutou and the amounts due to Hangzhou Soyea.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group's strategy is to leverage its diversified business portfolio to capture opportunities in technology-driven sectors while maintaining prudent risk management and cost control.

The Group is principally engaged in (1) manufacturing and sales of smart television and digital television ("**TV**"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of telecommunication, TV and internet in the digital video industry ("**Digital Video Business**"); (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems and processing services in relation to new energy vehicles spare parts ("**New Energy Vehicles Business**"); (3) the application and management of cloud ecological big data industry ("**Cloud Ecological Big Data Business**"); (4) properties development of big data industrial park commercial and residential properties ("**Properties Development**"); (5) properties investment for rental income from the big data industrial park ("**Properties Investments**"); and (6) general trading of commodities and goods ("**General Trading**").

The year 2025 continued to present challenges for the Group. From 2024 through the first half of 2025, the challenges facing China's real estate market have persisted, with market adjustments expected to require further time to stabilise. In addition, rising external uncertainties, particularly the continued trade tensions between China and the United States throughout the Period, have culminated in a tariff war in 2025, posing significant challenges to China's small and medium-sized enterprises. The global economic slowdown has led to weakened demand, placing increased pressure on exports and further dampening domestic consumption. Consumer confidence remains subdued. The Group incurred a loss of approximately HK\$306,263,000 for the year ended 30 June 2025 (2023: loss of approximately HK\$383,293,000).

The Group has recorded a increase in turnover from the Digital Video Business to approximately HK\$465,032,000 for the eighteen months ended 30 June 2025 (2023: approximately HK\$229,223,000), representing an increase of approximately 129% as compared with last year.

The New Energy Vehicles Business recorded turnover of approximately HK\$382,549,000 for the eighteen months ended 30 June 2025 (2023: approximately HK\$211,277,000), representing an increase of approximately 81% as compared with last year.

As at 30 June 2025, the Group operated:

- (1) 100 electric vehicle charging stations in Hangzhou, comprising 394 units of 7KW/H alternating current chargers, 1,582 units of 80KW/H alternating current chargers, 340 units of 100KW/H alternating current chargers, and 220 units of 120KW/H alternating current chargers (totalling 2,536 alternating current chargers); 270 units of 60KW/H direct current chargers, 770 units of 80KW/H direct current chargers, 419 units of 100KW/H direct current chargers, and 1,296 units of 120KW/H direct current chargers (totalling 2,755 direct current chargers);
- (2) 13 electric vehicle charging stations in Nanjing, comprising 32 units of 7KW/H alternating current chargers, 22 units of 60KW/H direct current chargers, and 148 units of 120KW/H direct current chargers; and
- (3) 1 electric vehicle charging station in Suzhou, comprising 7 units of 60KW/H direct current chargers.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is of the view that the PRC Government has emphasised on the use of new energy vehicles and reduction in carbon emissions with increase in support to the establishment of the new energy vehicles charging piles and its related operations and hence the New Energy Vehicles Business is with substantial growth potential. The Group will continue to invest in the New Energy Vehicles Business and further establish electric vehicles charging stations in Hangzhou and other provinces in the PRC to capture the electric vehicles charging market shares with the aim to be one of the largest new energy vehicles charging facilities operators in the PRC.

The Group recorded turnover of approximately HK\$4,472,000 for the eighteen months ended 30 June 2025 (2023: approximately HK\$2,799,000) from the Cloud Ecological Big Data Business, representing an increase of approximately 60% as compared with last year.

The Group recorded turnover of approximately HK\$23,194,000 for the eighteen months ended 30 June 2025 (2023: approximately HK\$23,328,000) from the Properties Investment Business, representing a decrease of approximately 1% as compared with last year.

China's economy is currently facing multiple uncertainties, including the challenge of structural transformation, the volatility in international markets, the geopolitical risks, and the weak domestic demand, all of which have posed significant obstacles to the Group's operations. Looking ahead, the operating environment is expected to remain difficult in the short term. Management anticipates that the Chinese government will intensify its macroeconomic policies, introduce further measures to stimulate consumption, and continue advancing the development of new quality productive forces and technological innovation, with accelerated progress in areas such as artificial intelligence, robotics, and new energy vehicles. It is also expected that the government will further increase investment in high-tech industries, manufacturing, and infrastructure, which may present opportunities for the Group's core businesses.

The Board will continue to closely monitor changes in the macroeconomic environment, adopt appropriate measures to address emerging challenges, and maintain a prudent approach to cash flow management. In order to safeguard the Group's assets and ensure a stable operating environment, thereby supporting the Group in navigating the current difficulties. Going forward, the Group will: (1) continue to closely evaluate the performance of the aforementioned businesses; (2) invest in the new energy vehicle sector and cloud-based big data ecosystem; (3) actively explore new business and investment opportunities; (4) consider all fundraising initiatives that may improve the Group's financial position; and (5) focus on product quality and cost control while exercising strict discipline over capital expenditure. These efforts aim to continuously enhance the Group's competitiveness and overall value, in alignment with the interests of the Company and all its shareholders. Looking ahead, the Group will continue to strengthen its core businesses, explore emerging opportunities in green energy and digital ecosystems, and enhance operational efficiency. The strategic focus remains on innovation-driven growth, prudent capital allocation and maintaining financial discipline to deliver sustainable value for shareholders over the long term.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

EXECUTIVE DIRECTORS

Mr. Chen Yunxiang, aged 52, was appointed as Executive Director on 20 May 2023. Mr. Chen graduated from the College of Adult Education, Zhejiang University with a degree in office automation and business computer. Mr. Chen has substantial experience in electronics industry and has a deep understanding of sales, marketing, network, conferences and exhibitions and the development of consumer electronics. Mr. Chen is the General Manager of the Smart Community Division of SOYEA Technology Co., Ltd. (stock code: 000909) ("**SOYEA Technology**") since April 2015.

Ms. Liu Bingjie, aged 43, was appointed as Executive Director on 6 March 2025. Ms. Liu graduated from Zhejiang University with a Bachelor degree in Chinese Language and Literature and holds the professional title of an Intermediate Economist in Business Administration. She possesses extensive experience in the fields of securities investment, education training, and external liaison. From March 2018 to May 2024, Ms. Liu was employed by SOYEA Technology, where she held positions in the General Office and Securities Investment Department. In June 2024, she joined Jiu Rong New Energy Technology Co., Ltd., a wholly-owned subsidiary of the Group, serving as the Director of Asset Management Department.

Mr. Yan Zhendong, aged 43, was appointed as Executive Director on 6 March 2025. Mr. Yan graduated from Zhejiang University of Science and Technology with a Bachelor degree in Mechanical Design, Manufacturing and Automation, and holds the professional title of Senior Engineer. He possesses extensive expertise in structural design, system equipment, and the intelligent charging industry. Mr. Yan joined SOYEA Technology in August 2003 until August 2025 as a Structural Design Engineer and subsequently held various positions including Structural Design Office, Director of the Battery Technology Research Institute, and General Manager of the System Equipment Division. He is currently serving as the General Manager of the Intelligent Charging Division of SOYEA Technology. Since September 2025, Mr Yan has also served as Head of the Operations Management Department at Hangzhou Xihu New Energy Technology Co., Ltd.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chen Zheng, aged 65, was appointed as an Independent Non-executive Director of the Company on 9 July 2019. He has extensive experience in investing business and corporate management. Mr. Chen was appointed as an executive director and the Chief Executive Officer of Global Digital Creations Holdings Limited ("**GDC**") (stock code: 8271) in February 2005, a company listed on the GEM of the Stock Exchange. He was re-designated as the Deputy Chairman and a non-executive director of GDC in December 2018. Besides, Mr. Chen was appointed as an executive director of Greater China Financial Holdings Limited ("**GCF**") (Stock Code: 431) in December 2021. He is also a director of certain subsidiaries and associates of GCF.

Mr. Chen is an engineer and senior economist. He holds a bachelor's degree in chemical engineering and a master's degree in business administration.

Mr. Wong Chi Kin, aged 51, was appointed as an Independent Non-executive Director of the Company on 24 August 2023. Mr. Wong has about 30 years of solid accounting, banking and corporate finance experience gained from reputable commercial banks and leading investment banks, including UBS and Morgan Stanley. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of CPA Australia.

Mr. Wong was appointed as an independent non-executive director of Tsui Wah Holdings Limited ("**Tsui Wah**"), whose shares are listed on the Stock Exchange (Stock Code: 1314), in November 2012 and was re-designated as a non-executive director of Tsui Wah in November 2016. Also, Mr. Wong is an independent non-executive director of Forgame Holdings Limited, whose shares are listed on the Stock Exchange (Stock Code: 484) in April 2020 and appointed as an independent non-executive director of Modern Chinese Medicine Group Co., Ltd. whose shares are listed on the Stock Exchange (Stock Code: 1643) in April 2023.

In addition, Mr. Wong was the chief financial officer of Gangyu Smart Urban Services Holding Limited ("**Gangyu**") (formally known as Orient Victory Smart Urban Services Holding Limited), whose shares are listed on the Stock Exchange (Stock Code: 265), during the period from October 2014 to October 2018 and is now the deputy chief executive officer of Gangyu. Prior to joining Gangyu in 2014, Mr. Wong held various management positions at China Qinfu Group Limited, whose shares are listed on the Stock Exchange (Stock Code: 866), including (i) deputy chief financial officer (from April 2011 to September 2011); (ii) chief financial officer (from September 2011 to October 2014); and (iii) company secretary and authorised representative (from July 2011 to August 2014).

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Mr. Wong was a non-executive director of Asiaray Media Group Limited, whose shares are listed on the Stock Exchange (Stock Code: 1993), during the period from March 2017 to June 2023. For the period from July 2018 to July 2019, given Mr. Wong's professional background and his areas of expertise, he was appointed as (i) the chairman of the independent board committee of Shenzhou Space Park Group Limited ("**Shenzhou Space**") (which was wound up on 6 January 2020), whose shares were listed on the Stock Exchange (former Stock Code: 692) and delisted in December 2019 under Rule 6.01A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and an independent non-executive director. Through-out his appointment in Shenzhou Space, Mr. Wong played crucial roles in delivering independent advice on listing resumption proposal and corporate governance issues as well as providing guidance in the investigation of certain transactions (for details, please refer to the announcement of Shenzhou Space dated 9 December 2019). For the period from November 2021 to February 2023, Mr. Wong was appointed as a member of the independent investigation committee of Mayer Holdings Limited, whose shares are listed on the Stock Exchange (Stock Code: 1116), and an independent non-executive director.

Mr. Wong obtained a Bachelor of Science (Honours) degree in Finance from the City University of Hong Kong in December 1996, a Certificate in Consecutive Interpretation in Putonghua/English from The School of Professional and Continuing Education of The University of Hong Kong in March 2001, a Master's degree in Practicing Accounting from the Monash University, Australia in November 2001, and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010 (Dean's list: 2009/2010).

Mr. Hua Nengdong, aged 60, was appointed as an Independent Non-executive Director on 24 August 2023. Mr. Hua graduated from the Department of Electrical Engineering of Shanghai Electric Power University (formerly Shanghai Electric Power Institute). Mr. Hua has rich professional knowledge in the power industry, high professional quality and practical experience in power electronics, power automation and GCPC (Grid Information Physics Integration System). Main member who has participated in the introduction of key technologies and complete systems for many major projects of power grid construction. Mr. Hua served as vice president of Zhejiang Dahua Technology Co., Ltd. (A company listed on the Shenzhen Stock Exchange) from 2007 to 2010, and now serves as chairman of Zhejiang Xingwei Technology Co., Ltd. and director of Beijing Aerospace Scale Science and Technology Co., Ltd.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board of the Company believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained to safeguard the interests of our shareholders, investors, customers and staff.

The Company has complied with the code provisions (the “**Code Provision(s)**”) of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange, except for certain deviations as specified and explained below with considered reasons for such deviations.

1. Under the Code Provision Part 2 C.2.1 of the CG Code, among others, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

During the eighteen months ended 30 June 2025 (“**Period**”) and up to the date of this report hereof, the posts of chairman and chief executive were vacant. The Board will keep reviewing the current structure of the Board from time to time and should candidates with suitable knowledge, skill, and experience be identified, the Company will make appointments to fill the posts as and when appropriate.

2. According to Code Provision Part 2 D.2.5 of the CG Code, the Group should have an internal audit function. However, considering the Group’s simple operating structure and the potential cost burden, an internal audit department has not been established at the time being. Instead, a team of staff members has been assigned to fulfill the internal audit function and ensure compliance with internal controls policies. The Executive Directors and the Chief Financial Officer will directly assume responsibility for the Group’s risk management and internal control systems.

The Board has taken remedial steps, actions and measures to make sure that the Company is in all aspects in strict compliance with the Listing Rules and the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealing (the “**Code of Conduct**”) by Directors on terms no less exacting than the required standard set out in Appendix C3 to the Listing Rules (the “**Model Code**”). The Company has made specific enquiry of all Directors as to whether they have complied with the required standard set out in the Model Code and the Code of Conduct during the Period.

All the Directors have confirmed that they have complied with the required standards set out in the Model Code and the Code of Conduct throughout the period ended 30 June 2025.

CORPORATE GOVERNANCE REPORT

THE BOARD OF DIRECTORS

Composition of the Board

As at 30 June 2025 and up to the date of this report, the composition of the Board was:

Executive Directors:

Mr. Chen Yunxiang
Ms. Liu Bingjie (appointed on 6 March 2025)
Mr. Yan Zhendong (appointed on 6 March 2025)
Ms. Chen Shan (resigned on 6 March 2025)

Independent Non-executive Directors:

Mr. Chen Zheng
Mr. Wong Chi Kin
Mr. Hua Nengdong

To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationships among members of the Board.

The list of Directors of the Company and their roles and functions is posted on the websites of the Company, <http://www.irasia.com/listco/hk/2358>, and the Stock Exchange. Detailed biographies outlining each Director's range of specialist experience and suitability for the successful long-term management of the Group can be found in the Section of "**Directors and Senior Management Profiles**" on pages 11 to 13 of this annual report.

For the new Executive Directors, Ms. Liu Bingjie and Mr. Yan Zhendong, who were appointed during the period ended 30 June 2025, the Company provided briefings and orientation materials on the Group's operations and on the duties and responsibilities of Directors under statutory regulations and the Listing Rules. On 5 March 2025, they obtained legal advice on Directors' duties under applicable laws from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules, and confirmed that they understand their obligations as Directors of the Company.

The Role of the Board

The Board formulates overall strategic plans and key policies of the Group, monitors its financial performance, maintains effective oversight over the management, risks assessment, controls over business operations and ensures good corporate governance and compliance with legal and regulatory requirements. The Board members are fully committed to their roles and have acted in good faith to maximise the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management.

CORPORATE GOVERNANCE REPORT

The Board delegates day-to-day operations of the Group to Executive Directors and senior management of the Company for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its senior management, it has given clear directions as to the powers of management, in particular, with respect to the circumstances where management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Directors' Appointment, Re-election and Removal

Details of the service contracts of each Executive Directors and Independent Non-executive Directors are set out in the section headed "**Directors' Service Contracts**" on page 38 of the Directors' Report.

In accordance with the Company's articles of association (the "**Article(s)**"), (i) Directors appointed by the Board to fill a casual vacancy shall hold office until the next following AGM of the Company after appointment and be subject to re-election at such meeting; and (ii) one-third of the Directors for including Executive Directors and Independent Non-executive Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) are subject to retirement by rotation at every AGM.

Independent Non-executive Directors

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company has three independent non-executive Directors representing half of the Board. Among the three independent non-executive Directors, Mr. Wong Chi Kin has appropriate professional qualification in accounting and related financial management expertise as required by Rules 3.10(2) of the Listing Rules. None of the independent non-executive Directors is related to one another.

The independent non-executive Directors are persons of high calibre; with academic and professional qualifications in the fields of accounting, corporate finance and business management. With their experience gained from senior positions held in other companies, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. The independent non-executive Directors do not participate in the day-to-day management of the Company and do not involve themselves in business transactions or relationships with the Company, in order not to compromise their objectivity. In staying clear of any potential conflict of interest, the independent non-executive Directors remain in a position to fulfill their responsibility to provide check and balance to the Board of the Company.

Each of Mr. Chen Zheng, Mr. Wong Chi Kin and Mr. Hua Nengdong has entered into a service contract with the Company for a term of one year, subject to re-election by shareholders at the AGM of the Company at least once every three years by rotation. No Director has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

CORPORATE GOVERNANCE REPORT

Confirmation of Independence

The Company has received the annual confirmation of independence from all existing Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules.

Directors' Training

According to the Code Provision A.6.5 of the CG Code, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors of the Company.

Directors' training is an ongoing process. During the Period, Directors received regular updates on changes and development to the Group's business and to legislative and regulatory environments in which the Group operate. All Directors are encouraged to attend external forum or training courses on relevant topics when count towards continuous professional development training. The Directors also disclose to the Company their interests as Directors or other offices in other public companies in a timely manner and provide updates to the Company on any subsequent changes.

The record of the trainings of the Directors, on a named basis, is set out as below:

	Reading articles, newspapers, journal and/or updates	Attending trainings and/or seminars
Executive Directors		
Mr. Chen Yunxiang	✓	✓
Ms. Liu Bingjie (appointed on 6 March 2025)	✓	✓
Mr. Yan Zhendong (appointed on 6 March 2025)	✓	✓
Ms. Chen Shan (resigned on 6 March 2025)	✓	✓
Independent Non-executive Directors		
Mr. Chen Zheng	✓	✓
Mr. Wong Chi Kin	✓	✓
Mr. Hua Nengdong	✓	✓

Board Meetings and Board Practices

The Board holds at least four meetings a year. The Board conducts meeting on a regular basis and on an ad hoc basis, as required by business needs. All Directors are invited to attend the Board meetings in person or by telephone conference.

CORPORATE GOVERNANCE REPORT

Sufficient notices for regular Board meetings and notice of reasonable notice for non-regular Board meetings were given to all Directors so as to ensure that each of them had an opportunity to attend the meetings. Board papers will be given to the Board before the date of the Board meeting by the Company Secretary.

If a substantial shareholder or a Director has a conflict of interest in a matter, the matter will be dealt by a physical Board meeting rather than a written resolution.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company seeks to achieve Board diversity through the consideration of several factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness. For the purpose of implementation of the board diversity policy, the following measurable objectives were adopted:

1. at least one-third of the members of the Board shall be Independent Non-executive Directors;
2. at least one of the members of the Board shall have obtained accounting or other professional qualifications; and
3. at least one member of the Board shall be of a different gender.
4. At least one member of the Nomination Committee shall be of a different gender.

The Board has achieved the measurable objectives in the board diversity policy.

As at the date of this Annual Report, the Board comprises five Directors. Three of them are Independent Non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

CORPORATE GOVERNANCE REPORT

The Board places great importance on gender and other diversity factors. As at the end of the period ended 30 June 2025, female Directors accounted for 17% of the Board, while women represented approximately 24% of the total workforce. The Company's diversity policy includes gender diversity targets and corresponding training programmes, and provides support for the career advancement of employees of underrepresented genders. The Company will continue to promote gender diversity, implement diversified talent recruitment and development programmes, and optimise the career development pathways for female employees.

During the Period, the Board held totally eighteen meetings and reviewed, inter alia, the performance and formulated business strategy of the Group; reviewed and approved the annual and interim results of the Group for the year ended 31 December 2023 and six months ended 30 June 2024 and twelve months ended 31 December 2024 respectively; approved the appointment and resignation of Executive Directors, Independent Non-executive Directors, Company Secretary and authorised representatives; approved the formation of joint venture, and proposed capital increase in joint venture.

The attendance records for the Board meetings are set out below:

	Number of Board Meetings Attended	Attendance Rate
Executive Directors		
Mr. Chen Yunxiang	18	100%
Ms. Liu Bingjie (appointed on 6 March 2025)	5	100%
Mr. Yan Zhengdong (appointed on 6 March 2025)	5	100%
Ms. Chen Shan (resigned on 6 March 2025)	13	100%
Independent Non-executive Directors		
Mr. Chen Zheng	14	100%
Mr. Wong Chi Kin	14	100%
Mr. Hua Nengdong	14	100%

Any Director wishing to do so in the furtherance of his or her duties, may take independent professional advice at the Company's expense. The Directors are encouraged to update their skills, knowledge and familiarity with the Group through their initial induction, ongoing participation at Board and committee meetings, and through meeting key members of management.

Pursuant to code provision B.1.4 of Part 2 of the Corporate Governance Code, the Board has established effective mechanisms to ensure independent views and input are available, including the appointment of a majority of Independent Non-Executive Directors who bring diverse perspectives to board deliberations. Key board committees such as the Audit, Nomination, and Remuneration Committees are chaired or predominantly composed of Independent Non-Executive Directors to provide objective oversight. Directors have access to independent professional advice when required. The Board conducts a regular review of these mechanisms to assess their implementation and effectiveness, confirming ongoing compliance with independence criteria and continuously enhancing the quality of independent input to support robust corporate governance.

CORPORATE GOVERNANCE REPORT

COMMITTEES OF THE BOARD

Audit Committee

The Company established an audit committee (the “**Audit Committee**”) on 22 June 2004. On 25 April 2007, the Board adopted specific written terms of reference setting out the authority and duties of the Audit Committee, now published on the websites of the Company, <http://www.irasia.com/listco/hk/2358> and the Stock Exchange.

As at the date of this report, the Audit Committee comprised three members; all of them are Independent Non-executive Directors. The Audit Committee is chaired by Mr. Wong Chi Kin who possesses the accounting and related financial management expertise. The members of the Audit Committee were Mr. Chen Zheng and Mr. Hua Nengdong.

The Audit Committee acts as an important link between the Board and the Company’s auditor in matters within the scope of the Group’s audit. The duties of the Audit Committee are to review and discuss on the effectiveness of external audit and risk evaluation of the Company, as well as the Company’s annual report and accounts, interim report and to provide advice and comments to the Board. The Audit Committee has reviewed the audited financial statements of the Group for the Period.

The Audit Committee meets regularly with the management and the external auditor to discuss the accounting principles and practices adopted by the Group and financial reporting matters. During the Period, the Audit Committee held two meetings to review, among others, the audited financial statements for the year ended 31 December 2023, the unaudited financial statements for the six months ended 30 June 2025 and twelve months ended 31 December 2024 with the recommendations to the Board for approval; and had reviewed the accounting principles and policies adopted by the Group and its system of internal control.

The attendance records for the Audit Committee meetings are set out below:

	Number of Audit Committee Meetings Attended	Attendance Rate
Independent Non-executive Directors		
Mr. Chen Zheng	3	100%
Mr. Wong Chi Kin	3	100%
Mr. Hua Nengdong	3	100%

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Company established a remuneration committee (the “**Remuneration Committee**”) on 12 December 2005. On 25 April 2007, the Board adopted specific written terms of reference setting out the authority and duties of the Remuneration Committee, now published on the websites of the Company, <http://www.irasia.com/listco/hk/2358> and the Stock Exchange.

As at the date of this report, the Remuneration Committee comprises three members and is chaired by Mr. Chen Zheng (Independent Non-executive Director). The other members of the Remuneration Committee are Mr. Wong Chi Kin (Independent Non-executive Director), Mr. Hua Nengdong (Independent Non-executive Director). Accordingly, the Remuneration Committee comprises a majority of Independent Non-executive Directors.

The role of the Remuneration Committee is to make recommendations to the Board on the Group’s policy and structure for all remuneration of Directors and senior management, and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee also reviews and approves the compensation arrangements relating to dismissal or removal of Directors to ensure that such arrangements are in accordance with the relevant contractual terms or are otherwise reasonable and appropriate.

During the Period, the Remuneration Committee held two meeting to review the remuneration packages of all the Directors and the senior management of the Group. No Director was involved in deciding his own remuneration at the meeting of the Remuneration Committee.

The attendance records for the Remuneration Committee meeting are set out below:

	Number of Remuneration Committee Meetings Attended	Attendance Rate
Independent Non-executive Directors		
Mr. Chen Zheng	2	100%
Mr. Wong Chi Kin	2	100%
Mr. Hua Nengdong	2	100%

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established a nomination committee (the “**Nomination Committee**”) on 12 December 2005. On 23 June 2025, the Board adopted the amended and restated specific written terms of reference setting out the authority and duties of the Nomination Committee, now published on the websites of the Company, <http://www.irasia.com/listco/hk/2358> and the Stock Exchange.

As at the date of this report, the Nomination Committee comprises five members, included Executive Directors and Independent Non-executive Directors. The Nomination Committee is chaired by Mr. Chen Yunxiang. The other members of the Nomination Committee are Ms. Liu Bingjie, Mr. Chen Zheng, Mr. Hua Nengdong and Mr. Wong Chi Kin.

The role of the Nomination Committee is to review the compositions of the Board, select, identify and recommend to the Board suitable candidates to be Directors, and assess the independence of the Independent Non-executive Directors.

When making recommendations regarding the appointment of any proposed candidate to the Board or reappointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including but not limited to the following in assessing the suitability of the proposed candidate:

- (a) reputation for integrity;
- (b) accomplishment, experience and reputation in the business and other relevant sectors relate to the Company and/or its subsidiaries;
- (c) commitment in respect of sufficient time and attention to the Company’s business;
- (d) diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience;
- (e) the ability to assist and support management and make significant contributions to the Company’s success;
- (f) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an Independent Non-executive Director; and
- (g) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

During the Period under review, the Nomination Committee held two meetings to review the qualifications and the performance of the current Directors and the composition of the Board, assessed the independence of the Independent Non-executive Directors and recommended to the Board on relevant matters relating to the appointment of senior management.

CORPORATE GOVERNANCE REPORT

The attendance records for the Nomination Committee meetings are set out below:

	Number of Nomination Committee Meetings Attended	Attendance Rate
Executive Director		
Mr. Chen Yunxiang	1	100%
Independent Non-executive Directors		
Mr. Chen Zheng	2	100%
Mr. Wong Chi Kin	2	100%
Mr. Hua Nengdong	2	100%

CORPORATE GOVERNANCE FUNCTIONS

The terms of reference on corporate governance functions was adopted by the Board on 27 December 2013. The Board is responsible for performing the following corporate governance duties with its written terms of reference:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations;
- (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 "Corporate Governance Code" as set out in Appendix C1 of the Listing Rules and disclosure in this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements and Financial Reporting

The Company's financial statements for the Period have been reviewed by the Audit Committee. The Directors acknowledge their responsibility for preparing the accounts and presenting a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Auditor's Remuneration

For the year ended 30 June 2025, the remuneration paid/payable to ZHONGHUI ANDA CPA Limited, the auditor of the Company, is set as follows:

Services	HK\$'000
Audit Services	1,100
Non-audit services	
– Report on preliminary annual results announcement	100
– Report on preliminary interim results announcement	90
Total	1,290

Company Secretary

The Company Secretary, Mr. Koon Wai Hung ("**Mr. Koon**"), is responsible for facilitating the Board process, as well as the communications among the Board members, shareholders and management. Mr. Koon also prepares detailed minutes of each meeting. Board minutes would be sent to the Board for comments as soon as practicable. Mr. Koon reports directly to the Board. All Directors also have access to the advice and services of the Company Secretary to ensure that all applicable laws, rules and regulations are followed.

During the Period, Mr. Koon undertook over 15 hours of professional training to update his skills and knowledge.

Access to information

All Directors are kept informed major changes of the Group's business from time to time. They have unrestricted access to the advices from the Company Secretary who is responsible to provide the Board papers and related materials.

Minutes of Board Meeting and Board Committee meetings are kept by the Company Secretary and are open for inspection by any Director. The Directors including Independent Non-executive Directors may seek legal advices at the Company's expenses to discharge their duties.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the eighteen months ended 30 June 2025 which give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and in compliance with the disclosure requirements of the Hong Kong Companies Ordinance. The Directors are aware of a loss of approximately HK\$306,263,000 for the eighteen months ended 30 June 2025 and as at 30 June 2025, the Group had net current liabilities of approximately HK\$1,024,314,000 and net liabilities of approximately HK\$236,424,000. The Group's cash and cash equivalents amounted to approximately HK\$2,971,000, while debts repayable within one year or on demand (including interest-bearing bank and other loans) totalled approximately HK\$627,197,000. Furthermore, as at 30 June 2025, the Group had defaulted on the repayment of interest-bearing loans from an indirect shareholder amounting to approximately HK\$414,871,000. 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. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The statement made by the external auditor of the Company regarding their reporting responsibilities in respect of the Group's financial statements is set out in the "Independent Auditor's Report" on pages 41 to 44 of this annual report. Pursuant to code provision D.1.3 of Part 2 of the Corporate Governance Code, the Directors acknowledge that, as disclosed in Note 2 to the consolidated financial statements in this annual report, material uncertainties exist which may cast significant doubt on the Group's ability to continue as a going concern.

Having taken into account (i) the Group has commenced coordination with a limited liability company incorporated in the PRC, specialising in new energy technology, in relation to a proposed plan to dispose of certain assets associated with the Group's plant and machinery. The proceeds from the sale are expected to be received in accordance with a timeline established by the Group. (ii) the Group has notified and liaised with the creditors for extension/alternative refinancing of the loans that already overdue; (iii) the Group will negotiate with its creditors and bankers for the renewal of the loans when they fall due and obtain new banking facilities; and (iv) the estimated proceeds from the placing of shares (if any), the Directors are satisfied that the Group will have sufficient working capital for its present requirements. The Directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

CORPORATE GOVERNANCE REPORT

The Audit Committee has reviewed the view of and assessment made by the management and based on the detailed plans of the Directors in addressing the going concern and liquidity issue of the Group, the Audit Committee agreed with the management's position concerning the going concern and liquidity issue.

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report in this annual report.

DISCLAIMER OF OPINION

The Auditor has issued a disclaimer of opinion on the consolidated financial statements of the Group for the eighteen months ended 30 June 2025 with the basis of multiple material uncertainties relating to going concern. Details of the disclaimer of opinion are set out in the paragraphs headed "Basis for Disclaimer of Opinion", and the qualified opinion regarding the scope limitations relating to the trade receivables and other receivables is set out in the paragraphs headed "Other Matters" in the Independent Auditor's Report contained in this annual report.

The Board noted that the modification on the consolidated financial statements of the Group for the eighteen months ended 30 June 2025 as qualified on the basis of "disclaimer of opinion" was essentially due to the Auditor's concern over the going concern of the Group due to the potential interaction of multiple uncertainties.

BOARD'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OF OPINION

The Board and the management have reviewed and given careful consideration to the disclaimer of opinion and its basis, and have engaged in continuous discussions with the auditor during the preparation of the Consolidated Financial Statements for the eighteen months ended 30 June 2025. It notes that such reasons primarily relate to scope limitations concerning the assessment of the appropriateness of the going concern basis, including the Group's significant loss for the eighteen months ended 30 June 2025, substantial net current liabilities, insufficient cash and cash equivalents, and the existence of overdue borrowings which have not yet been extended or refinanced, all of which represent material uncertainties.

In response to the auditor's disclaimer of opinion arising from significant uncertainties regarding the appropriateness of the going concern assumption, the Board fully understands that such opinion reflects the auditor's inability to obtain sufficient and appropriate audit evidence to assess the reasonableness and validity of the Group's adoption of the going concern basis. The Board reiterates that, as at 30 June 2025, the Group recorded a loss of approximately HK\$306,263,000, with both net current liabilities and net liabilities at elevated levels, and cash and cash equivalents relatively insufficient, particularly with overdue borrowings exerting significant pressure on the Group's financial position. These circumstances indeed indicate that the Group faces substantial financial risks and uncertainties, posing serious challenges to its ability to continue as a going concern.

CORPORATE GOVERNANCE REPORT

The Board has actively implemented a number of measures to alleviate funding pressure and improve the Group's financial position, in the next twelve months, including:

- Continuing to progress the disposal of the new energy bus charging stations and investment properties, ensuring that the proceeds will be received by the end of 2025 and mid-2026 respectively;
- Maintaining ongoing and proactive communication with creditors to seek extensions of overdue borrowings and alternative refinancing arrangements which is expected to be completed by mid-2026;
- Negotiating with banks and other lending institutions to secure loan renewals or obtain alternative refinancing and new financing facilities which is expected to be completed by mid-2026;
- Continuing to pursue share placement and explore all feasible financing channels to secure sufficient funds as a means of supplementing working capital, upon completion of aforesaid improvement measures, the opportunities for share placements will be enhanced, and the Board remains a cautiously optimistic confidence in this regard.

As discussed and disclosed in the section "Events After the Reporting Period" in the Management Discussion and Analysis, and in Note 47 to the Consolidated Financial Statements in this Annual Report, the Group has been making every effort to implement these measures to alleviate its funding pressure.

The Board believes that successful implementation of the above plans and measures will relieve the Group's liquidity pressure and improve its financial position. The Board has prudently assessed the feasibility of these plans and has taken proactive steps to advance them, including engaging with potential buyers, creditors and financial institutions, and exploring the viability of share placement.

Despite the uncertainties surrounding the aforementioned measures, the Board considers these plans to be feasible and expects that they will effectively alleviate liquidity pressure and support the Company's ability to continue as a going concern. Based on internal financial forecasts and the status of ongoing negotiations with various parties, and having considered the information currently available and actions taken, the Board believes that the Group has a reasonable basis to continue to adopt the going concern assumption in preparing the consolidated financial statements. However, the Board acknowledges that the implementation of these plans and measures remains subject to significant uncertainties, which may affect the Group's ability to continue as a going concern. Should these plans fail to materialise, the Board is fully aware that this could have a material impact on the carrying amounts of assets and the reclassification of liabilities, and will make timely disclosures to shareholders as appropriate.

The Board will continue to monitor the Group's cash flow position and funding requirements; expedite the disposal of assets and financing arrangements; maintain communication with the auditor to resolve, as far as practicable, the matters giving rise to the disclaimer of opinion; and keep shareholders and investors informed of material developments in a timely manner. The Board confirms that, apart from the aforementioned material uncertainties and other matters discussed in the Independent Auditor's Report, there are no other matters requiring special disclosure, and it will make its best efforts to safeguard the interests of the Company and its shareholders.

CORPORATE GOVERNANCE REPORT

VIEWS OF THE AUDIT COMMITTEE

The Audit Committee has critically reviewed the disclaimer of opinion, as well as the management's measures, views and assessments concerning the disclaimer of opinion in relation to the appropriateness of adopting the going concern basis in preparing the consolidated financial statements. The Audit Committee has also held discussions with the auditor regarding the disclaimer of opinion, considered the auditor's rationale and understood the basis for its conclusion.

Furthermore, the Audit Committee engaged in discussions with the Company's management, who have carefully considered the Group's cash flow forecast for the next 18 months from 30 June 2025 and given due consideration to the matters giving rise to material uncertainty as to the Group's ability to continue as a going concern. Accordingly, management has proactively formulated certain plans and measures to ensure that the Group will have sufficient cash resources to continue as a going concern and to meet its obligations as they fall due.

Certain plans and measures have been or will be implemented to enable the Group to maintain adequate financial resources to meet its financial commitments as they fall due. These include, but are not limited to, those set out in Notes 2 "Going Concern Basis" and 47 "Events After the Reporting Period" to the Consolidated Financial Statements for the eighteen months ended 30 June 2025 in this Annual Report, as well as the measures disclosed in the Company's announcements of inside information regarding the potential disposals of new energy bus charging stations dated 27 May 2025, and the potential disposal of a subsidiary dated 28 June 2024, with further updates on 31 December 2024 and 2 July 2025 (collectively, the "Relevant Plans and Measures").

Assuming the successful implementation of the Relevant Plans and Measures, the Company's management considers that the Group will have sufficient working capital to finance its operations and meet its obligations as they fall due for at least 12 months from 30 June 2025. Accordingly, management is of the opinion that it is appropriate to prepare the Consolidated Financial Statements for the eighteen months ended 30 June 2025 on a going concern basis.

The Audit Committee has discussed the going concern issue with the Board and the Company's management. With the orderly implementation of the Relevant Plans and Measures, the Audit Committee concurs with the position taken by the Company's management and the Board regarding the accounting treatment adopted by the Company.

The Audit Committee has also discussed and acknowledged the auditor's concerns that uncertainties remain as to whether the Company's management will be able to successfully implement the Relevant Plans and Measures. There is no disagreement among the Board, the Company's management or the Audit Committee with the position taken by the auditor regarding the going concern issue.

Moreover, the Audit Committee engaged in discussions with the Company's management. Upon reviewing the status of the trade receivables and other receivables abovementioned as set out in the "Other Matters" in the Independent Auditor's Report, the Audit Committee concurred with the management's position and view, particularly regarding judgments pertaining to the recoverability of these receivables and the limited actions the Company may take in light of the factual circumstances.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

According to Code Provision Part 2 D.2.5 of the CG Code, the Group should have an internal audit function. However, considering the Group's simple operating structure and the potential cost burden, an internal audit department has not been established at the time being. Instead, a team of staff members has been assigned to fulfill the internal audit function and ensure compliance with internal controls policies. The Executive Directors and the Chief Financial Officer will directly assume responsibility for the Group's risk management and internal control systems. Procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance with applicable laws, rules and regulations. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.

The key procedures that the Board has established to provide effective internal control are as follows:

- The Company has established Internal Control Policies and Procedures Manual (the "**IC Manual**") and has a checklist to ensure the compliance with the principles and the code provisions set out in the CG Code in Appendix C1 to the Listing Rules.
- Monthly management reporting system providing financial and operational performance indicators to the management and Directors with financial reporting procedures and time frame for result announcements have been established.
- Formal investment policy states the details of guidelines and procedures to be done for the proposed investment, for every proposed investment, a detailed list of documents is needed to provide to the managements and Directors.
- Management structure with defined roles, responsibilities and reporting lines are established. Delegated authorities are documented and communicated.
- Several responsible persons are assigned to handle different accounting procedures for every proposed investment.
- System and procedures to identify, measure, manage and control risks including liquidity, credit, regulatory and operational risks that may have an impact on the Group.

The Board through the Audit Committee had conducted an annual review on the risk management and internal control systems of the Group. The review covered material controls, including financial, operational and compliance controls and risk management functions of the Group. Appropriate measures have been put in place to manage the risks. No major issue was raised for improvement. The improvement of the systems of risk management and internal control is an ongoing process and the Board maintains a continuing commitment to strengthen the Group's control environment and processes.

The Company formulated the inside information policy to provide employees with guidelines on reporting and disseminating inside information, confidentiality and compliance with restrictions on trading. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information.

CORPORATE GOVERNANCE REPORT

The Group established the Whistleblowing and Whistleblower Protection Policy and Anti-Fraud, Corruption and Bribery Policy to uphold high standards of business integrity, honesty and transparency in all of its business dealings, the above policies has published on the Company's website (<http://www.irasia.com/listco/hk/2358>).

SHAREHOLDERS' RIGHT

Pursuant to Article 58, any 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 carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two 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 or themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The requisition in writing should be sent to the Company's office at Flat 8, 49/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The same procedure also applies to any proposal to be tabled at shareholders' meetings for adoption. The Board will review shareholders' enquires on a regular basis. Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the Company Secretary at the above address.

In case of shareholding enquires, shareholders should direct their enquiries to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, via its online holding enquiry at www.computershare.com/hk, or by email to hkinfo@computershare.com.hk or dial its hotline at (852) 2862-8555 or go in person at its public counter at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

INVESTOR AND SHAREHOLDER RELATION

The Board recognises the importance of good communications with its shareholders and investors. A Shareholders' Communication Policy setting out the principles of the Company in relation to shareholders' communications, with the objectives of ensuring a transparent and timely communication with shareholders via various means, has been established.

The Company's AGM is a valuable forum for the Board to communicate directly with the shareholders and to answer questions shareholders may raise. Separate resolutions are proposed at general meetings for each substantial issue, including the re-election and election of individual Directors. The detailed procedures of conducting a poll are explained to shareholders at the commencement of the AGM, to ensure that shareholders are familiar with such procedures.

CORPORATE GOVERNANCE REPORT

The Company's last AGM was held on Monday, 22 July 2024 at 14:30 p.m. at Flat 8, 49/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. All the resolutions proposed at that meeting were approved by shareholders of the Company by poll. Details of the poll results are available on the websites of the Company, <http://www.irasia.com/listco/hk/2358>, and the Stock Exchange. Mr. Chen Yunxiang, Ms. Chen Shan, the Executive Directors, and Mr. Chen Zheng, Mr. Wong Chi Kin, Mr. Hua Nengdong, the Independent Non-executive Directors attended the AGM held on Monday, 22 July 2024. Due to other business engagements, the Company Secretary Mr. Koon Wai Hung also attended the AGM together with the external auditor, ZHONGHUI ANDA CPA Limited.

A key element of effective communication with shareholders and investors is the prompt and timely dissemination of information in relation to the Group. The Company has announced its annual and interim results in a timely manner of the relevant periods in 2025, which fulfill the time limits as laid down in the Listing Rules.

The Directors are responsible for investor relations of the Company including holding meetings with equity research analysts, fund managers and institutional shareholders and investors. The market capitalisation of the Company as at 30 June 2025 was HK\$142,272,000 (issued share capital: 5,472,000,000 shares at closing market price: HK\$0.026 per share on 30 June 2025) and the public float of the Company was around 89%.

CONSTITUTIONAL DOCUMENTS

There was no change to the Memorandum and Articles of Association of the Company during the financial period 2025. A copy of the latest consolidated version of the Memorandum and Articles of Association of the Company is posted on the websites of the Company, <http://www.irasia.com/listco/hk/2358>, and the Stock Exchange.

On Behalf of the Board

Chen Yunxiang
Executive Director

Hong Kong
30 September 2025

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report and the audited consolidated financial statements of the Company for the eighteen months ended 30 June 2025 (the “**Period**”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in Note 20 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the Period and the state of affairs of the Company and of the Group at 30 June 2025 are set out in the consolidated financial statements on pages 45 to 129. The Directors do not recommend the payment of any dividend for the eighteen months ended 30 June 2025.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published consolidated financial results and consolidated assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 130 of this annual report. The summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Period are set out in Notes 18 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and movements in the Company's share options during the year are set out in Notes 38 and 40 to the consolidated financial statements, respectively.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the best knowledge of the Directors, as at the date of this report, there was sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as the Directors are aware, the following persons have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 5% or more in the issued share capital of the Company, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholder	Type of interests	Number of Shares	Percentage of interests
Alpha Century Assets Limited	Beneficial owner	600,000,000 (L)	10.96%
Ms. Wong Sin Fung (<i>Note 1</i>)	Interest of controlled corporation	600,000,000 (L)	10.96%
SOYEA Technology Co., Limited	Beneficial owner	546,466,000 (L)	9.99%
Tai Chun Ping	Beneficial owner	355,890,000 (L)	6.5%

Notes:

1. The interest in 600,000,000 shares is deemed corporate interest through Alpha Century Assets Limited.
2. The letter "L" denotes a long position and "S" denotes a short position.

Save as disclosed above, so far as was known to the Directors or chief executive of the Company, no other person (other than a Director or chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SHARE OPTION SCHEME

Pursuant to the share option scheme ("the Scheme") which expired on 29 May 2024, the maximum number of share options that may be granted and remain unexercised is equivalent to 10% of the total number of shares in issue by the Company at any time after such options have been exercised. Within any twelve-month period, the maximum number of shares which may be issued pursuant to options granted to each eligible participant under the Scheme shall not exceed 1% of the total number of shares in issue by the Company at any time. Any further grant of options in excess of such limit must be approved by shareholders at a general meeting before it becomes effective.

DIRECTORS' REPORT

Share options granted to a Director, chief executive or substantial shareholder of the Company, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an Independent Non-executive Director of the Company, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer. The exercise period of the share options granted is determined by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, whichever is earlier.

The exercise price of the share options is determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

As at the date of expiry of the Scheme on 29 May 2024, no share options had been granted under the Scheme (2024: Nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles or the Companies Laws (2004 Revision) of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 39 to the consolidated financial statements and in the consolidated statement of changes in equity on page 48, respectively.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 30 June 2025 are set out in note 39 to the financial statements.

DIRECTORS' REPORT

DIVIDEND POLICY

The Company has adopted a dividend policy ("**Dividend Policy**"), pursuant to which the Company gives priority to distributing dividend in cash and shares its profits with its shareholders. The dividend payout ratio shall be determined or recommended, as appropriate, by the Board at its absolute discretion after considering the Company's financial results, prospects and other factors, and subject to:

- the Articles of Association of the Company;
- the applicable restrictions and requirements under the laws of the Cayman Islands;
- any banking or other funding covenants by which the Company is bound from time to time; and
- any investment, business development and operating needs of the Company.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group is an equal opportunity employer and does not discriminate on personal characteristics. Employees' handbook outlined terms and conditions of employment, expectations for employees' behavior and service delivery, employees' rights and benefits. We provide ongoing training and promotion opportunities to enhance employees' career progression.

The Group maintains good relationship with its customers and suppliers to meet its long-term business developments. The Group values the feedback from customers through regular communication and address their concerns in a timely manner. For suppliers, the Group assures their performance for delivering quality sustainable products and services.

During the eighteen months ended 30 June 2025, there is no circumstance of any event between the Group and its employees, customers and suppliers which will have a significant impact on the Group's business development.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year ended 30 June 2025 is as follows:

	Percentage of the Group's total revenue	
	2025	2024
The largest customer	14%	28%
Top five largest customers	42%	63%

DIRECTORS' REPORT

	Percentage of the Group's total purchase	
The largest supplier	23.7%	25%
Top five largest suppliers	54.6%	46%

At no time during the year have the Directors, their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest suppliers and customers.

RISK AND UNCERTAINTIES

The principal risks and uncertainties facing the Group in its operations are outlined as below. It is a non-exhaustive list and there may be other risks and uncertainties further to the key risk areas.

Principal Risks	Description	Key Mitigations
New Energy Vehicles Business's strategic risk	The risk of material adverse changes to the Group's New Energy Vehicles Business's performance, development prospects and/or ability to deliver its strategy, caused by changes in the business, economic, competitive, regulatory or political environment in which the Group operates.	Proactive monitoring of the New Energy Vehicles Business industry trends, competitors and innovations.
Foreign currency risk	The Group's business mainly operates in the mainland China, accordingly, its revenue and transactions arising from its operations were generally settled in Renminbi. As the Group's reporting currency is Hong Kong dollars, any fluctuations in the value of Renminbi against Hong Kong dollars could affect the Group's performance.	Proactive monitoring of and preparation for global and local changes in regulations affecting the Group and responsive implementation of hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.
Credit risk	The risk that a counterparty will not settle an obligation in full value, either when due or at any time thereafter.	Default recovery procedures and credit risk management function as well as conduct credit checks on new customers.

DIRECTORS' REPORT

Principal Risks	Description	Key Mitigations
Liquidity risk	The risk of being unable to settle obligations as they fall due whether relating to the Group's cash flow requirements and/or regulatory requirements.	Monitor the Group's liquidity requirements to ensure sufficient reserves of cash and adequate committed lines of funding from major financial institutions (when applicable).
Operational risk	The risk of material delay in the Group's project which may put burdens on billings, material and labour costs that adversely affects the Group's revenue and financial performance.	Implement budget control management and project planning to avoid design error or faulty contractual management or other defaults.
Legal and compliance risk	The risk of loss resulting from breach of or non-compliance with applicable laws, regulations or contractual obligations.	Consultation of expert legal advice sought and compliance reviews conducted on business activities and new initiatives when necessary.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Chen Yunxiang
 Ms. Liu Bingjie (appointed on 6 March 2025)
 Mr. Yan Zhending (appointed on 6 March 2025)
 Ms. Chen Shan (resigned on 6 March 2025)

Independent Non-executive Directors:

Mr. Chen Zheng
 Mr. Wong Chi Kin
 Mr. Hua Nengdong

Pursuant to Article 83(3), 84(1) and 84(2), Ms. Liu Bingjie and Mr. Yan Zhending shall retire from office at the forthcoming AGM of the Company. All of the above retiring Directors are eligible and will offer themselves for re-election at the forthcoming AGM of the Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 11 to 13 of this annual report.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS

Mr. Chen Yunxiang and Ms. Liu Bingjie, the Executive Directors, has entered into the service contracts with a wholly owned subsidiary of the Company which shall continue to be effective unless terminated by three months' notice in writing served by either party on the other or payment in lieu. Mr. Chen Yunxiang and Ms. Liu Bingjie entitled to receive a director's basis salary of RMB450,000 per annum and RMB280,000 per annum respectively, which was determined with reference to market terms, qualifications and work experience of him, and a year-end bonus of 10% of the total annual salary, social insurance premiums (including pension, medical, unemployment, and work-related injury insurance) promulgated by the local government of the company for the current year; plus a discretionary year-end bonus to be determined by the Board from time to time.

Mr. Chen Zheng, an Independent Non-executive Director, has entered into a service contract with the Company on 9 July 2025 for a term of one year for an annual fee of HK\$120,000.

Mr. Wong Chi Kin, an Independent Non-executive Director, has entered into a service contract with the Company on 24 August 2025 for a term of one year for an annual fee of HK\$120,000.

Mr. Hua Nengdong, an Independent Non-executive Director, has entered into a service contract with the Company on 24 August 2025 for a term of one year for an annual fee of HK\$120,000.

Apart from the foregoing, none of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

At the date of this report, the Company has arranged for appropriate directors' and officers' liability insurance to cover the directors and officers of the Company.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during or at the end of the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence during the year.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the Directors had any interest in a business which competes or may compete with the businesses of the Group during the year.

DIRECTORS' REPORT

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at 30 June 2025, none of the Directors and chief executive had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Division 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme disclosures in the paragraph headed "**Share Option Scheme**" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

CONTINUING CONNECTED TRANSACTIONS

Save as disclosed in Note 43 "Related Party Transactions" to the consolidated financial statements, there was no other connected transaction of the Group that need to be disclosed pursuant to Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE

The Company is committed to adopt corporate governance practices. The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 14 to 31 of this annual report.

ENVIRONMENTAL POLICY AND PERFORMANCE

As focused on New Energy Vehicles Business development, environmental conservation is always one of the Group's concerns. Although the Group does not establish a formal environmental policy, various measures have been implemented to encourage in compliance with environmental legislation and promote awareness towards environmental protection to the employees. It implements green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances. The Group will review its environmental practices periodically and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses.

In accordance with Rule 13.91 of the Listing Rules, the Company will publish an Environmental, Social and Governance ("**ESG**") Report at the same time as the publication of the annual report in compliance with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Listing Rules.

DIRECTORS' REPORT

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 30 June 2025, there was no evidence of non-compliance with the relevant laws and regulations that have significant impacts on the Group as far as the Board is aware.

AUDIT COMMITTEE

The Company has an Audit Committee in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal control system and providing advice and comments to the Board. The Audit Committee consists of three independent non-executive Directors of the Company.

The Audit Committee of the Company has reviewed the annual results of the Group for the Period including the accounting principles and practices adopted by the Company.

AUDITOR

The consolidated financial statements for the year ended 30 June 2025 have been audited by ZHONGHUI ANDA CPA Limited who will retire and being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company. A resolution will be submitted to the forthcoming AGM of the Company for the re-appointment of ZHONGHUI ANDA CPA Limited as the auditor of the Company.

On Behalf of the Board

Chen Yunxiang

Executive Director

Hong Kong

30 September 2025

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF JIU RONG HOLDINGS LIMITED***(incorporated in the Cayman Islands with limited liability)***DISCLAIMER OF OPINION**

We were engaged to audit the consolidated financial statements of Jiu Rong Holdings Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 45 to 129, which comprise the consolidated statement of financial position as at 30 June 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 period from 1 January 2024 to 30 June 2025 (the **"Period"**), and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the consolidated financial statements

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to equity holders of the Company of approximately HK\$306,263,000 for the period ended 30 June 2025. As at 30 June 2025, the Group had net current liabilities of approximately HK\$1,024,314,000 and net liabilities of approximately HK\$236,424,000. As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$2,971,000, while debts repayable within one year or on demand (including interest-bearing bank and other loans) were approximately HK\$627,197,000. As at 30 June 2025, the Group had defaulted the repayment of interest-bearing loans from an indirect shareholder of approximately HK\$414,871,000 (referred to as the **"Overdue Debts"**). The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

INDEPENDENT AUDITOR'S REPORT

The consolidated financial statements have been prepared on a going concern basis. The directors of the Company have been undertaking a number of plans and measures to mitigate the liquidity pressure and improve its financial position, details of which are set out in note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends upon the successful implementation of these measures, which are subject to significant uncertainties, including (i) the success of disposal of certain assets associated with the Group's plant and machinery; (ii) the success of extension/alternative refinancing of the Overdue Debts; (iii) the success of obtaining sufficient funds through other alternative financing and borrowings; and (iv) the success of placing of shares.

In respect of the disposal of certain assets associated with the Group's plant and machinery, the disposal is still ongoing and requires approval from the shareholders of the Company at an extraordinary general meeting. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to accelerate the sales of its plant and machinery, as planned.

In respect of the extension/alternative refinancing of the Overdue Debts, as of the date of this report, we have not been provided with the extension agreements or refinancing agreements in respect of the Overdue Debts. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to implement and complete the extension/alternative refinancing of the Overdue Debts.

In respect of acquisition of sufficient funds through other alternative financing and borrowings, as of the date of this report, we have not been provided with the financing agreements in respect of the new financing. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to obtain new funds.

In respect of the placing of shares, as of the date of this report, we have not been provided with the details of the plan, including the detailed timetable and actions to be implemented. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluate the Group's ability to place the shares.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate evidence we considered necessary to conclude whether the use of the going concern basis of accounting to prepare the consolidated financial statements is appropriate.

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

INDEPENDENT AUDITOR'S REPORT

OTHER MATTERS

Had we not disclaimed our opinion regarding the matters described in the Basis for Disclaimer of Opinion section above, we would otherwise have qualified our opinion regarding the scope limitations on our audit relating to the matters detailed below.

(1) Trade receivables

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the recoverability of the trade receivables of approximately USD5,159,000 and Euro14,740,000 (equivalent to approximately HK\$176,182,000) as at 30 June 2025 and approximately USD5,196,000 and Euro15,389,000 (equivalent to approximately HK\$173,229,000) as at 31 December 2023. These trade receivables derived from the trading business of Soyea Jiu Rong Technology Company Limited (**"Soyea Jiu Rong"**), an indirect wholly owned subsidiary of the Company) to Cuba. Soyea Jiu Rong received letter of credits from customers with Banco Nacional de Cuba (a state-owned commercial bank which is nationalised by the Government of Cuba) who undertakes to settle the letters of credit at maturity. Due to the shortage of foreign currency and strict control of the use of foreign currency by the Cuba Government, Banco Nacional de Cuba is not able to settle the outstanding amounts when they fall due and without concrete repayment timetable. As a result, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the recoverability of these trade receivables.

There are no other satisfactory audit procedures that we could adopt to determine whether any allowance for non-recovery of the amount should be made in the consolidated financial statements. Any adjustment to this figure above might have a consequential effect on the consolidated financial performance for the period ended 30 June 2025 and for the year ended 31 December 2023 and the consolidated financial position as at 30 June 2025 and 31 December 2023, and the related disclosures thereof in the consolidated financial statements.

(2) Other receivables

Reference is made to note 28(c) to the consolidated financial statements regarding the amounts due from a former director representing a payment in advance amounting to HK\$8,304,000 as at 30 June 2025 (31 December 2023: HK\$8,304,000) (the **"Advance"**). It is noted that the Company and a wholly-owned subsidiary of the Company have commenced High Court actions against Mr. Siu Chi Ming (**"Mr. Siu"**), a former executive director of the Company for, among others, certain purported remunerations paid to Mr. Siu (i.e. the Advance) (collectively, the **"High Court Actions"**). For further details of the High Court Actions, please refer to the announcement of the Company dated 26 March 2024.

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the nature and recoverability of the Advance, which is highly dependent on the result of the ongoing High Court Actions, nor there are other satisfactory audit procedures that we could adopt to satisfy ourselves as to the nature and recoverability of the Advance. Any adjustment to this figure above might have a consequential effect on the consolidated financial performance for the period ended 30 June 2025 and year ended 31 December 2023, the consolidated financial position as at 30 June 2025 and 31 December 2023, and the related disclosures thereof in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of 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.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the significance of the material uncertainties relating to the going concern basis described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Li Shun Fai

Audit Engagement Director

Practising Certificate Number P05498

Hong Kong, 30 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the eighteen months ended 30 June 2025

	Notes	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
REVENUE	9	875,247	471,779
Cost of sales		(814,433)	(410,040)
Gross profit		60,814	61,739
Other income	10	67,351	39,496
Selling and distribution costs		(55,256)	(48,865)
Administrative expenses		(70,843)	(43,351)
Other operating expenses		(1,265)	(4,919)
Other gains and losses, net	11	(172,299)	(247,875)
Finance costs	12	(83,800)	(55,090)
Share of loss of associates		(65,436)	(87,096)
LOSS BEFORE TAX		(320,734)	(385,961)
Income tax credit	15	14,471	2,668
LOSS FOR THE PERIOD/YEAR	13	(306,263)	(383,293)
Other comprehensive expenses for the period/year, net of tax:			
Items that will not be reclassified to profit or loss:			
Fair value changes of equity investments at fair value through other comprehensive income		(9,358)	(539)
Items that may be reclassified to profit or loss:			
Share of associates' exchange differences on translating foreign operations		(1,731)	(7,828)
Exchange differences on translation of foreign operations		(2,008)	(958)
		(3,739)	(8,786)
OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD/YEAR, NET OF TAX		(13,097)	(9,325)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD/YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(319,360)	(392,618)
LOSS PER SHARE	16		
– Basic (HK cents)		(5.60)	(7.00)
– Diluted (HK cents)		(5.60)	(7.00)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As 30 June 2025 HK\$'000	As 31 December 2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	18	303,630	400,218
Investment properties	19	611,061	736,434
Right-of-use assets	21	12,025	13,704
Investment in associates	22	129,471	196,563
Deferred tax assets	23	119	119
Equity investments at fair value through other comprehensive income	24	22,923	34,737
		1,079,229	1,381,775
CURRENT ASSETS			
Inventories	25	9,134	22,008
Properties held for sale	26	82,439	81,698
Trade receivables	27	318,071	394,453
Prepayments, deposits and other receivables	28	322,501	293,402
Investments at fair value through profit or loss	29	8,596	17,100
Tax recoverable		560	–
Pledged bank deposits	30	52,753	40,975
Cash and cash equivalents	31	2,971	4,247
		797,025	853,883
CURRENT LIABILITIES			
Trade and notes payables	32	652,220	1,221,696
Other payables and accruals	33	463,381	62,583
Lease liabilities	37	4,101	3,889
Contract liabilities	34	60,788	50,206
Bank and other loans	35	627,197	329,417
Deferred government grant	36	13,652	9,726
Tax payable		–	409
		1,821,339	1,677,926
NET CURRENT LIABILITIES		(1,024,314)	(824,043)
TOTAL ASSETS LESS CURRENT LIABILITIES		54,915	557,732

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As 30 June 2025 HK\$'000	As 31 December 2023 HK\$'000
NON-CURRENT LIABILITIES			
Lease liabilities	37	9,417	10,843
Deferred government grant	36	13,589	35,982
Deferred tax liabilities	23	67,801	82,114
Bank and other loans	35	200,532	345,857
		291,339	474,796
NET (LIABILITIES)/ASSETS		(236,424)	82,936
EQUITY			
Issued capital	38	547,200	547,200
Reserves	39	(783,624)	(464,264)
TOTAL (DEFICIT)/EQUITY		(236,424)	82,936

The consolidated financial statements on pages 45 to 129 were approved and authorised for issue by the board of directors on 30 September 2025 and are signed on its behalf by:

Approved by:

Chen Yunxiang
Director

Liu Bingjie
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the eighteen months ended 30 June 2025

	Issued capital HK\$'000	Share premium* HK\$'000	Contributed surplus* HK\$'000	Statutory surplus reserve* HK\$'000	Foreign currency translation reserve* HK\$'000	Equity investment revaluation reserve* HK\$'000	Share-based payment reserve* HK\$'000	Accumulated losses* HK\$'000	Total HK\$'000
At 1 January 2023	547,200	179,968	4,990	18,095	(17,703)	(3,024)	27,359	(281,331)	475,554
Total comprehensive expenses for the year	-	-	-	-	(8,786)	(539)	-	(383,293)	(392,618)
Transfer to statutory surplus reserve	-	-	-	1,552	-	-	-	(1,552)	-
At 31 December 2023	547,200	179,968	4,990	19,647	(26,489)	(3,563)	27,359	(666,176)	82,936
At 1 January 2024	547,200	179,968	4,990	19,647	(26,489)	(3,563)	27,359	(666,176)	82,936
Total comprehensive expenses for the period	-	-	-	-	(3,739)	(9,358)	-	(306,263)	(319,360)
Transfer to statutory surplus reserve	-	-	-	2,833	-	-	-	(2,833)	-
At 30 June 2025	547,200	179,968	4,990	22,480	(30,228)	(12,921)	27,359	(975,272)	(236,424)

* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the eighteen months ended 30 June 2025

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(320,734)	(385,961)
Adjustments for:		
Interest income from associates	(35,964)	(8,040)
Interest income from third parties	–	(5,497)
Finance costs	83,800	55,090
Share of loss of associates	65,436	87,096
Bank interest income	(541)	(1,370)
Written off of property, plant and equipment	15,379	1,041
Written off of trade receivable	–	3,869
Written off of trade payable	–	(3,827)
Loss/(gain) on disposal of property, plant and equipment	14,022	(616)
Depreciation of property, plant and equipment	83,161	66,258
Depreciation of right of use assets	6,210	3,174
Government grants	(18,045)	(10,220)
Loss/(gain) on disposal of investments at fair value through profit or loss	96	(9,264)
Fair value loss/(gain) on investments at fair value through profit or loss	7,106	(9,600)
Expected credit loss on trade receivables	10,031	98,193
Expected credit loss on other receivables	15,193	51,168
Impairment loss on property, plant and equipment	–	91,655
Fair value changes of investment properties	120,803	25,723
Reversal of impairment of inventories	–	(13)
	45,953	48,859
Change in inventories	12,619	(3)
Change in trade receivables	64,014	95,705
Change in prepayments, deposits and other receivables	(8,084)	(6,254)
Change in trade and notes payables	(613,030)	(136,350)
Change in contract liabilities	10,518	(3,965)
Change in other payables and accruals	171,667	9,395
Change in properties held for sale	(1,058)	(2,972)
Cash (used in)/generated from operations	(317,401)	4,415
Income tax received/(paid)	552	(5,571)
Net cash flows used in operating activities	(316,849)	(1,156)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the eighteen months ended 30 June 2025

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance payment from disposal of a subsidiary	221,730	–
Proceeds from disposal of property, plant and equipment	16,874	948
Proceeds from distribution from investments at fair value through other comprehensive income	2,163	–
Proceeds from disposal of investments at fair value through profit or loss	1,302	109,938
Interest received	541	1,370
Purchase of property, plant and equipment	(21,508)	(23,456)
Increase in pledged bank deposits	(11,789)	(12,592)
Interest income received from associates	–	8,040
Interest income received from third parties	–	5,497
Government grant received	–	597
Purchase of investments at fair value through profit or loss	–	(13,148)
Net cash flows generated from investing activities	209,313	77,194
CASH FLOWS FROM FINANCING ACTIVITIES		
Other loans raised	427,127	5,415
Bank loans raised	199,043	161,401
Repayment of bank loans	(436,377)	(222,319)
Interest on bank and other loans paid	(41,306)	(54,019)
Repayment of other loans	(34,557)	(52,990)
Repayment of lease liabilities and lease interests	(7,703)	(4,116)
Net cash flows generated from/(used in) financing activities	106,227	(166,628)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,309)	(90,590)
Cash and cash equivalents at beginning of the period/year	4,247	95,970
Net foreign exchange difference	33	(1,133)
Cash and cash equivalents at end of the period/year	2,971	4,247
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,971	4,247

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

1. GENERAL INFORMATION

Jiu Rong Holdings Limited (the “**Company**”) is a public limited liabilities company incorporated in the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is at Century Yard, Cricket Square, Hutchins Drive, P.O.Box 2681 GT, George Town, Grand Cayman, British West Indies. The address of its principal place of business is Flat 8, 49/F., Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 20 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated.

Pursuant to a resolution of the Board dated 17 December 2024, the Company’s financial year end date has been changed from 31 December to 30 June commencing from financial year of 2024/2025. This will enable the Group to rationalise and mobilise its resources more efficiently and effectively for the preparation of results announcement as well as reports given the change will:

- (i) avoid competition of resources with other listed companies with regard to results announcement and reports-related external services under the peak reporting season in the market; and
- (ii) remove the uncertainty from the variation in the dates of the Chinese New Year Holiday and Easter Holiday which put pressure on the workflow.

The current financial statements cover a eighteen months ended 30 June 2025 and the comparative financial statements cover a twelve months year ended 31 December 2023. The comparative amounts are, therefore, not entirely comparable.

2. GOING CONCERN BASIS

The Group incurred a loss attributable to equity holders of the Company of approximately HK\$306,263,000 for the period ended 30 June 2025 and as at 30 June 2025, the Group had net current liabilities of approximately HK\$1,024,314,000 and net liabilities of approximately HK\$236,424,000. As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$2,971,000, while debts repayable within one year or on demand (including interest-bearing bank and other loans) were approximately HK\$627,197,000. As at 30 June 2025, the Group had defaulted the repayment of interest-bearing loans from an indirect shareholder of approximately HK\$414,871,000 (referred to as the “**Overdue Debts**”). 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. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

2. GOING CONCERN BASIS (continued)

Having taken into account (i) the Group has commenced coordination with a limited liability company incorporated in the People's Republic of China (the "PRC"), specializing in new energy technology, in relation to a proposed plan to dispose of certain assets associated with the Group's plant and machinery. The proceeds from the sale are expected to be received in accordance with a timeline established by the Group; (ii) the Group has notified and liaised with the creditors for extension/alternative refinancing of the loans that are already overdue; (iii) the Group will negotiate with its creditors and bankers for the renewal of the loans when they fall due and obtain new banking facilities; and (iv) the estimated proceeds from the placing of shares (if any), the directors are satisfied that the Group will have sufficient working capital for its present requirements. The directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRS Accounting Standards but is not yet in a position to state whether these new HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by investment properties, investments at fair value through profit or loss and equity investments at fair value through other comprehensive income which are carried at their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(c) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's presentation currency and functional currency.

(ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(c) Foreign currency translation (continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The estimated useful lives are as follows:

Plant and machinery	4-10 years
Motor vehicles	6 years
Office equipment	4-9 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents plant and machinery under construction and pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(e) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property (including property that is being constructed or developed for future use as investment property) is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

If a property held for sale becomes an investment property, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in profit or loss.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

(f) Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Land and buildings	14%-50%
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Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(f) Leases (continued)

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(g) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Costs of properties include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the reporting period less selling expenses, or by estimates based on prevailing market condition.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(j) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost;
- Equity investments at fair value through other comprehensive income; and
- Investments at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(j) Financial assets (continued)

(i) *Financial assets at amortised cost*

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(ii) *Equity investments at fair value through other comprehensive income*

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the equity investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(j) Financial assets (continued)

(iii) *Investments at fair value through profit or loss*

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

(k) Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("**lifetime expected credit losses**") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(o) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(q) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; 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.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

(r) Other revenue

- (i) Interest income is recognised on a time-proportion basis using the effective interest method.
- (ii) Rental income is recognised on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(s) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(t) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

(v) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants relating to the purchase of assets are recorded as deferred income and recognised in profit or loss on a straight-line basis over the useful lives of the related assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(v) Government grants (continued)

Repayment of a grant related to income is applied first against any unamortised deferred income set up in respect of the grant. To the extent that the repayment exceeds any such deferred income, or where no deferred income exists, the repayment is recognised immediately in profit or loss. Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

(w) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 differences between the carrying amounts of assets and liabilities in the 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(w) Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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 investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

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 by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(x) Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Group (reporting entity) if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(z) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except deferred tax assets, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

(z) Impairment of assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(aa) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(ab) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon (i) the Group has commenced coordination with a limited liability company incorporated in the PRC, specializing in new energy technology, in relation to a proposed plan to dispose of certain assets associated with the Group's plant and machinery. The proceeds from the sale are expected to be received in accordance with a timeline established by the Group; (ii) the Group has notified and liaised with the creditors for extension/alternative refinancing of the loans that are already overdue; (iii) the Group will negotiate with its creditors and bankers for the renewal of the loans when they fall due and obtain new banking facilities; and (iv) the estimated proceeds from the placing of shares (if any), at a level of sufficient to finance the working capital requirements of the Company. Details are explained in note 2 to consolidated financial statements.

(b) *Deferred tax for investment properties*

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the directors have rebutted the presumption that investment properties measured using the fair value model are recovered through sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) *Fair value of investment property*

The Group appointed an independent professional valuer to assess the fair value of the investment property. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to the estimates applied in valuation would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

(b) *Impairment of property, plant and equipment and right-of-use assets*

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(c) *Impairment of properties held for sale*

Properties held for sale are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the fair value less costs of disposal. Where the fair value less costs of disposal are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of fair value less costs of disposal, a material impairment loss may arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(d) *Impairment of trade receivables*

Impairment of trade receivables is made based on an assessment of the recoverability of trade receivables. The assessment of impairment of receivables involves the use of estimates and judgments. An estimate for doubtful debts is made when collection of the full amount is no longer probable, as supported by objective evidence using available contemporary and historical information to evaluate the exposure. Bad debts are written off as incurred. Where the actual outcome or expectation in the future is different from the original estimates, such differences will affect the carrying amount of trade receivables and thus the impairment loss in the period in which such estimate is changed.

(e) *Impairment of investment in associates*

The Group assesses whether investment in associates have suffered any impairment in accordance with the accounting policy. The recoverable amount of investment in associates have been determined based on value in use calculations or market valuations. These calculations require the use of judgement and estimates, in particular of future revenue or cash flow. Management believes that any reasonable possible deviation from any of these assumptions would not cause the aggregate carrying amounts of investment in associates to exceed their recoverable amount.

(f) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

During the reporting period, the capital structure of the Group consist of debt which includes interest-bearing loans and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the associated risks, and take appropriate actions to adjust the Group's capital structure. The Group's overall strategy remains unchanged from prior periods.

7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, credit risk, liquidity risk and price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

Certain transactions and monetary assets and liabilities of the Group are denominated in the United States dollars and Euro, which is different from the functional currency of a subsidiary of the Company, i.e. RMB, which exposes the Group's currency risk. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 30 June 2025, if the RMB had weakened 5% (31 December 2023: 5%) against USD with all other variables held constant, loss after tax for the period would have been HK\$4,151,000 lower (for the year ended 31 December 2023: HK\$4,159,000 lower), arising mainly as a result of the foreign exchange gain on trade receivables denominated in USD. If the RMB had strengthened 5% (31 December 2023: 5%) against USD with all other variables held constant, loss after tax for the period would have been HK\$4,151,000 higher (for the year ended 31 December 2023: HK\$4,159,000 higher), arising mainly as a result of the foreign exchange loss on trade receivables denominated in USD.

At 30 June 2025, if the RMB had weakened 5% (31 December 2023: 5%) against Euro with all other variables held constant, loss after tax for the period would have been HK\$13,908,000 lower (for the year ended 31 December 2023: HK\$13,597,000 lower), arising mainly as a result of the foreign exchange gain on trade receivables denominated in Euro. If the RMB had strengthened 5% (31 December 2023: 5%) against Euro with all other variables held constant, loss after tax for the period would have been HK\$13,908,000 higher (for the year ended 31 December 2023: HK\$13,597,000 higher), arising mainly as a result of the foreign exchange loss on trade receivables denominated in Euro.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

7. FINANCIAL RISK MANAGEMENT (continued)

(b) Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk mainly arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings and lease liabilities obtained at fixed rates expose the Group to fair value interest rate risk. As at the end of each reporting period, substantially all of the Group's borrowings were carried at variable market lending rates.

At 30 June 2025, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax loss for the period would have been HK\$1,242,000 (for the year ended 31 December 2023: HK\$3,015,000) higher/lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

(c) Credit risk

The carrying amount of the cash and bank balances, investments and trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to director's approval. Receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

At the end of the reporting period, the Group had a certain concentration of credit risk as 8% (31 December 2023: 3%) of the total trade receivables was due from the Group's five largest customers. Details of the credit quality of the trade receivables were set out in Note 27 to the consolidated financial statements.

Cash and bank balances are deposits at banks with sound credit ratings. Given their high credit ratings, the Group does not expect to have any associated credit risk.

The credit risk on investments is limited because the counterparty is a well-established securities broker firm in the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

7. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

7. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity profile of the Company's financial liabilities as at the end of reporting period, based on the contracted undiscounted payments, was as follows:

30 June 2025

	On demand/ less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flow HK\$'000	Carrying amounts HK\$'000
Trade and notes payables	652,220	–	–	–	652,220	652,220
Financial liabilities included in other payables and accruals	463,381	–	–	–	463,381	463,381
Bank and other loans	661,999	20,522	103,207	179,086	964,814	827,729
	1,777,600	20,522	103,207	179,086	2,080,415	1,943,330

31 December 2023

	On demand/ less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flow HK\$'000	Carrying amounts HK\$'000
Trade and notes payables	1,221,696	–	–	–	1,221,696	1,221,696
Financial liabilities included in other payables and accruals	62,583	–	–	–	62,583	62,583
Bank and other loans	322,015	104,665	157,648	213,498	797,826	675,274
	1,606,294	104,665	157,648	213,498	2,082,105	1,959,553

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

7. FINANCIAL RISK MANAGEMENT (continued)

(e) Price risk

The Group's equity investments at fair value through other comprehensive income and investments at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity securities price risk. The directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

At 30 June 2025, if the share prices of the investments at fair value through profit or loss increase/decrease by 10%, the loss for the period would have been approximately HK\$860,000 (for the year ended 31 December 2023: HK\$1,710,000) lower/higher, arising as a result of the fair value gain/loss of the investments.

At 30 June 2025, if the share prices of the equity investments at fair value through other comprehensive income increase/decrease by 10%, the equity investment revaluation reserve would have been approximately HK\$1,683,000 (31 December 2023: HK\$2,421,000) higher/lower, arising as a result of the fair value gain/loss of the investments.

(f) Categories of financial instruments

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Financial assets:		
Financial assets at amortised cost (including cash and cash equivalents)	687,486	731,835
Investments at fair value through profit or loss:		
Mandatorily measured	8,596	17,100
Equity investments at fair value through other comprehensive income	22,923	34,737
Financial liabilities:		
Financial liabilities at amortised cost	1,943,330	1,959,553

(g) Fair value

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

8. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 30 June 2025:

Description	Fair value measurements using:			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements:				
Investment properties	–	611,061	–	611,061
Investments at fair value through profit or loss				
Listed securities in Hong Kong	8,596	–	–	8,596
Equity investments at fair value through other comprehensive income				
– Listed securities outside Hong Kong	16,827	–	–	16,827
– Unlisted equity investments	–	–	6,096	6,096
Total recurring fair value measurements	25,423	611,061	6,096	642,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

8. FAIR VALUE MEASUREMENTS (continued)

(a) (continued)

Disclosures of level in fair value hierarchy at 31 December 2023:

Description	Fair value measurements using:			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements:				
Investment properties	–	736,434	–	736,434
Investments at fair value through profit or loss				
Listed securities in Hong Kong	17,100	–	–	17,100
Equity investments at fair value through other comprehensive income				
– Listed securities outside Hong Kong	24,206	–	–	24,206
– Unlisted equity investments	–	–	10,531	10,531
Total recurring fair value measurements	41,306	736,434	10,531	788,271

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

8. FAIR VALUE MEASUREMENTS (continued)

(b) Reconciliation of assets and liabilities measured at fair value based on level 3

	Equity investments at fair value through other comprehensive income Unlisted equity investments HK\$'000	2025 Total HK\$'000
Description		
At 1 January 2024	10,531	10,531
Total gains or losses recognised in other comprehensive income ^(#)	(2,200)	(2,200)
Distribution	(2,163)	(2,163)
Exchange difference	(72)	(72)
At 30 June 2025	6,096	6,096
	Equity investments at fair value through other comprehensive income Unlisted equity investments HK\$'000	2023 Total HK\$'000
Description		
At 1 January 2023	10,493	10,493
Total gains or losses recognised in other comprehensive income ^(#)	332	332
Exchange difference	(294)	(294)
At 31 December 2023	10,531	10,531

^(#) The total gains or losses recognised in other comprehensive income are presented in fair value changes in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

8. FAIR VALUE MEASUREMENTS (continued)

- (c) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Directors are responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The accountant reports to the Board of Directors for these fair value measurements.

The Group engages external valuation experts with the recognised professional qualifications and recent experience to perform the valuations at the end of each reporting period.

Level 2 fair value measurements

Description	Valuation technique	Inputs	Fair value 30 June 2025 HK\$'000	Fair value 31 December 2023 HK\$'000
Investment property				
Commercial investment property – the PRC	Income capitalisation approach	Rental income per square metre	611,061	736,434

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 30 June 2025 HK\$'000
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Investments at fair value through profit or loss

– Unlisted equity investments	Share of net assets	N/A	N/A	N/A	7,706
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Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 31 December 2023 HK\$'000
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Investments at fair value through profit or loss

– Unlisted equity investments	Share of net assets	N/A	N/A	N/A	10,531
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION

(a) Reportable segments

The chief operating decision-maker has been identified as the Board of Directors. The Board of Directors reviews the Group's internal reporting in order to assess performance and allocate resources. The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has six (31 December 2023: six) reportable segments. The segments are managed separately as each business segment offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- (i) Digital Video Business: manufacturing and sales of smart television and digital television ("TV"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of tele-communication, TV and internet in the digital audio visual industry.
- (ii) New Energy Vehicles Business: construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems and processing services in relation to new energy vehicles spare parts.
- (iii) Cloud Ecological Big Data Business: application and management of cloud ecological big data industry.
- (iv) Properties Development: properties development of an industrial park and sale of construction materials.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(a) Reportable segments (continued)

(v) Properties Investment: properties investment for rental income in an industrial park.

(vi) General trading.

The revenue is analysed as follows:

Revenue	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Sale of digital video products	465,032	229,223
Provision of new energy vehicles charging services income	198,791	176,921
Processing income related to new energy vehicles spare parts	183,758	34,356
Provision of big data services income	4,472	2,799
Sale of construction materials	–	1,294
General trading	–	3,858
Revenue from contracts with customers	852,053	448,451
Rental income	23,194	23,328
Total revenue	875,247	471,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(a) Reportable segments (continued)

(i) Business segments

	For the eighteen months ended 30 June 2025						
	Digital Video Business HK\$'000	New Energy Vehicles Business HK\$'000	Cloud Ecological Big Data Business HK\$'000	Properties Development HK\$'000	Properties Investment HK\$'000	General trading HK\$'000	Total HK\$'000
Reportable segment revenue:							
Revenue from external customers	465,032	382,549	4,472	-	23,194	-	875,247
Reportable segment profit/(loss)	(77,998)	(38,924)	(39,708)	(65,436)	(84,224)	-	(306,290)
Depreciation of property, plant and equipment	(139)	(82,703)	(79)	-	(218)	-	(83,139)
Government grants	1,254	23,361	23	-	-	-	24,638
Loss on disposal of investments at fair value through profit or loss	(96)	-	-	-	-	-	(96)
Income tax credit/(expense)	(414)	(1,929)	-	-	16,814	-	14,471
Share of profit of an associate	-	-	-	(65,436)	-	-	(65,436)
(Loss)/gain on fair value changes of investment properties	-	-	-	-	(120,803)	-	(120,803)
Additions to property, plant and equipment	258	37,786	-	-	-	-	38,044
At 30 June 2025							
	Digital Video Business HK\$'000	New Energy Vehicles Business HK\$'000	Cloud Ecological Big Data Business HK\$'000	Properties Development HK\$'000	Properties Investment HK\$'000	General trading HK\$'000	Total HK\$'000
Reportable segment assets	588,181	432,402	3,141	85,893	619,263	-	1,728,880
Reportable segment liabilities	(872,790)	(667,745)	(232,315)	(33,996)	(302,415)	-	(2,109,261)
Investment in associates	-	-	-	129,471	-	-	129,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(a) Reportable segments (continued)

(i) Business segments (continued)

	For the year ended 31 December 2023						
	Digital Video Business HK\$'000	New Energy Vehicles Business HK\$'000	Cloud Ecological Big Data Business HK\$'000	Properties Development HK\$'000	Properties Investment HK\$'000	General trading HK\$'000	Total HK\$'000
Reportable segment revenue:							
Revenue from external customers	229,223	211,277	2,799	1,294	23,328	3,858	471,779
Reportable segment (loss)/profit	(182,943)	(146)	(8,220)	(77,762)	(124,972)	3,858	(390,185)
Depreciation of property, plant and equipment	(6,729)	(59,245)	(61)	–	(216)	–	(66,251)
Government grants	272	10,580	221	–	–	–	11,073
Gain on disposal of investments at fair value through profit or loss	8,782	482	–	–	–	–	9,264
Income tax credit/(expenses)	–	(854)	–	–	3,522	–	2,668
Share of loss of associates	–	–	–	(87,096)	–	–	(87,096)
Loss on fair value changes of investment properties	–	–	–	–	(25,723)	–	(25,723)
Additions to property, plant and equipment	390	20,514	2,476	–	5	–	23,385
At 31 December 2023							
	Digital Video Business HK\$'000	New Energy Vehicles Business HK\$'000	Cloud Ecological Big Data Business HK\$'000	Properties Development HK\$'000	Properties Investment HK\$'000	General trading HK\$'000	Total HK\$'000
Reportable segment assets	442,320	511,073	7,954	81,698	806,819	162,413	2,012,277
Reportable segment liabilities	(545,248)	(426,626)	(3,529)	(32,356)	(343,918)	(797,984)	(2,149,661)
Investment in associates	–	–	–	196,563	–	–	196,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(a) Reportable segments (continued)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Revenue		
Total revenue of reportable segments	875,247	471,779
Profit or loss		
Total loss reportable segments	(306,290)	(390,185)
Unallocated corporate (expenses)/income, net	(14,444)	4,224
Consolidated loss before tax	(320,734)	(385,961)
	At 30 June 2025 HK\$'000	At 31 December 2023 HK\$'000
Assets		
Total assets of reportable segments	1,858,351	2,208,840
Unallocated amounts:		
Cash and cash equivalents	94	267
Other unallocated corporate assets	17,809	26,551
Consolidated total assets	1,876,254	2,235,658
Liabilities		
Total liabilities of reportable segments	(2,109,261)	(2,149,661)
Unallocated corporate liabilities	(3,417)	(3,061)
Consolidated total liabilities	(2,112,678)	(2,152,722)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(b) Geographical information

The Group is domiciled in the PRC. The following tables provide an analysis of the Group's revenue from external customers and non-current assets including property, plant and equipment, right-of-use assets and investment properties ("Non-current assets").

	Revenue from external customers 1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
The PRC	875,247	470,986
Hong Kong	–	793
Total	875,247	471,779

	Non-current assets 30 June 2025 HK\$'000	31 December 2023 HK\$'000
The PRC	926,669	1,150,287
Hong Kong	47	69
Total	926,716	1,150,356

(c) Information about major customers

Revenue from major customers, each of whom accounted for 10% or more of the total revenue is set out below:

			1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Segment	Note			
Customer A	New Energy Vehicles Business		147,750	129,717
Customer B	Digital Video Business		104,083	74,193
Customer C	Digital Video Business	(i)	103,763	N/A

Note:

(i) Revenue from this customer did not exceed 10% of total revenue in the year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(d) Disaggregation of revenue from contracts with customers

Segments	1 January 2024 to 30 June 2025					
	Digital Video Business HK\$'000	New Energy Vehicles Business HK\$'000	Cloud Ecological Big Data Business HK\$'000	Properties Development HK\$'000	General trading HK\$'000	Total HK\$'000
<u>Geographical markets</u>						
PRC	465,032	382,549	4,472	-	-	852,053
Hong Kong	-	-	-	-	-	-
Total	465,032	382,549	4,472	-	-	852,053
<u>Major products/service</u>						
Sale of digital video products	465,032	-	-	-	-	465,032
Provision of new energy vehicles charging services income	-	198,791	-	-	-	198,791
Processing income related to new energy vehicle spare parts	-	183,758	-	-	-	183,758
Provision of big data services income	-	-	4,472	-	-	4,472
Sale of construction materials	-	-	-	-	-	-
General trading	-	-	-	-	-	-
Total	465,032	382,549	4,472	-	-	852,053
	465,032	382,549	4,472	-	-	852,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(d) Disaggregation of revenue from contracts with customers (continued)

	Year ended 31 December 2023					
Segments	Digital Video Business HK\$'000	New Energy Vehicles Business HK\$'000	Cloud Ecological Big Data Business HK\$'000	Properties Development HK\$'000	General trading HK\$'000	Total HK\$'000
<u>Geographical markets</u>						
The PRC	229,223	211,277	2,799	1,294	3,065	447,658
Hong Kong	–	–	–	–	793	793
Total	229,223	211,277	2,799	1,294	3,858	448,451
<u>Major products/service</u>						
Sale of digital video products	229,223	–	–	–	–	229,223
Provision of new energy vehicles charging services income	–	176,921	–	–	–	176,921
Processing income related to new energy vehicle spare parts	–	34,356	–	–	–	34,356
Provision of big data services income	–	–	2,799	–	–	2,799
Sale of construction materials	–	–	–	1,294	–	1,294
General trading	–	–	–	–	3,858	3,858
Total	229,223	211,277	2,799	1,294	3,858	448,451
<u>Timing of revenue recognition</u>						
At a point in time	229,223	211,277	2,799	1,294	3,858	448,451

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(d) Disaggregation of revenue from contracts with customers (continued)

Digital Video Business

The Group manufactures and sells smart TV and digital TV, high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of telecommunication, TV and internet in the digital audio visual industry. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 30 to 360 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

New Energy Vehicles Business

The Group provides construction, application and management of new energy vehicles and related products, charging facilities, intelligent management systems and processing services in relation to new energy vehicles spare parts. The New Energy Vehicles charging services income and processing services are recognised when the charging service is rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the service. The charging services incomes are normally made with credit terms of payment on demand.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Cloud Ecological Big Data Business

The Group provides application and management of cloud ecological big data services to customers. The income is recognised when the service is rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

9. REVENUE AND OPERATING SEGMENT INFORMATION (continued)

(d) Disaggregation of revenue from contracts with customers (continued)

Properties Development

The Group develops and sells properties to the customers. Sales of a contract are recognised when control of the property has transferred, being when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable. Sales of construction materials are recognised when control of the products has transferred.

General trading

Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Handling and agency service income are recognised when the services are rendered.

Sales to customers are normally made with credit terms of 30 to 360 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

10. OTHER INCOME

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Bank interest income	541	1,370
Written off of trade payable	–	3,827
Interest income from third parties	–	5,497
Interest income from associates	35,964	8,040
Government grants	24,638	11,073
Reversal of impairment of inventories	–	13
Gain on disposal of property, plant and equipment	–	616
Penalty income from breach of contract	1,525	–
Exchange differences	–	8,753
Others	4,683	307
	67,351	39,496

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

11. OTHER GAINS AND LOSSES, NET

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Expected credit loss recognised on trade receivables	(10,031)	(98,193)
Expected credit loss recognised on other receivables	(15,193)	(51,168)
Impairment loss on property, plant and equipment	–	(91,655)
Loss on disposal of property, plant and equipment	(14,022)	–
Fair value (loss)/gain on investments at fair value through profit or loss	(7,106)	9,600
Fair value changes of investment properties	(120,803)	(25,723)
Exchange loss, net	(5,048)	–
(Loss)/gain on disposal of investments at fair value through profit or loss	(96)	9,264
	(172,299)	(247,875)

12. FINANCE COSTS

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Interest expenses on borrowings:		
– Interest on bank and other loans	69,367	47,543
– Interest on notes payable	12,343	6,476
– Interest on lease liabilities	2,090	1,071
Total borrowing cost	83,800	55,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

13. LOSS FOR THE PERIOD/YEAR

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

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Cost of inventories sold	814,433	410,040
Staff costs (including directors' remuneration):		
Wages and salaries	89,863	71,575
Pension scheme contributions		
– Defined contribution scheme	12,283	10,002
Other staff benefits	9,692	8,986
	111,838	90,563
Auditors' remuneration	1,800	1,120
Depreciation of property, plant and equipment	83,161	66,258
Depreciation of right of use assets	6,210	3,174
Expenses related to short-term leases	7,034	13,050
Exchange loss/(gain), net	5,048	(8,753)
Loss/(gain) on disposal of property, plant and equipment	14,022	(616)
Written off of property, plant and equipment	15,379	1,041
Loss/(gain) on disposal of investments at fair value through profit or loss	96	(9,264)
Fair value loss/(gain) on investments at fair value through profit or loss	7,106	(9,600)
Fair value loss on investment property	120,803	25,723
Trade receivable written off	–	3,869
Impairment loss on property, plant and equipment	–	91,655
Reversal of impairment of inventories	–	(13)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) Directors' and Senior Management's Emoluments

	1 January 2024 to 30 June 2025			
	Fees HK\$'000	Salaries, bonus, allowances and other benefits HK\$'000	Contributions to retirement scheme HK\$'000	Total emoluments HK\$'000
Executive directors:				
Mr. Chen Yunxiang (i)	–	730	205	935
Ms. Liu Bingjie (vii)	–	69	36	105
Mr. Yan Zhendong (vii)	–	–	–	–
Ms. Chen Shan (i) and (vi)	–	–	–	–
Independent non-executive directors:				
Mr. Chen Zheng	180	–	–	180
Mr. Wong Chi Kin (iii)	180	–	–	180
Mr. Hua Nengdong (iii)	180	–	–	180
	540	799	241	1,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(a) Directors' and Senior Management's Emoluments (continued)

	For the year ended 31 December 2023			
	Fees HK\$'000	Salaries, bonus, allowances and other benefits HK\$'000	Contributions to retirement scheme HK\$'000	Total emoluments HK\$'000
Executive directors:				
Mr. Chen Yunxiang (i)	–	370	45	415
Ms. Chen Shan (i) and (vi)	–	–	–	–
Mr. Siu Chi Ming (ii)	30	570	9	609
Mr. Zhao Jianhua (v)	–	85	32	117
Independent non-executive directors:				
Mr. Chen Zheng	120	–	–	120
Mr. Wong Chi Kin (iii)	43	–	–	43
Mr. Hua Nengdong (iii)	43	–	–	43
Mr. Wang Ning (iv)	59	–	–	59
Mr. Yuan Qian Fei (iv)	59	–	–	59
	354	1,025	86	1,465

- (i) Appointed on 20 May 2023
- (ii) Resigned on 30 June 2023
- (iii) Appointed on 24 August 2023
- (iv) Resigned on 28 June 2023
- (v) Resigned on 20 May 2023
- (vi) Resigned on 6 March 2025
- (vii) Appointed on 6 March 2025

There was no arrangement under which a director waived or agreed to waive any emoluments during the eighteen months ended 30 June 2025 and year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

14. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(b) Five Highest Paid Individual Emoluments

One (Year ended 31 December 2023: two) of the five highest paid individuals of the Group are the directors whose emoluments are set out in the above. For the eighteen months ended 30 June 2025, the remaining four (Year ended 31 December 2023: three) employees' emoluments of the Company were as follows:

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Salaries, allowances and other benefits in kind	3,251	903
Bonus (note)	75	262
Contributions to pension scheme	338	129
	3,664	1,294

Note: Bonus were determined based on the employee's performance.

Their emoluments fell within the following bands:

	Number of employees 1 January 2024 to 30 June 2025	Year ended 31 December 2023
Emolument band:		
Nil – HK\$1,000,000	3	3
HK\$1,500,001 – HK\$2,000,000	1	–

- (c) No emoluments have been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the eighteen months ended 30 June 2025 and year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

15. INCOME TAX CREDIT

Hong Kong Profits Tax has been provided at a rate of 16.5% (Year ended 31 December 2023: 16.5%) on the estimated assessable profit for the eighteen months ended 30 June 2025.

PRC corporate income tax is calculated at a standard rate of 25% (Year ended 31 December 2023: 25%) except for Jiu Rong New Energy Science and Technology Limited ("**Jiu Rong New Energy**") and Hangzhou Yunqi Cloud Data Limited ("**Yunqi Cloud Data**") on the estimated assessable profits arising from its operation in the PRC. For the eighteen months ended 30 June 2025, Jiu Rong New Energy and Yunqi Cloud Data have obtained the new high-tech enterprise certificate and entitled for a preferential tax rate of 15% (Year ended 31 December 2023: 15% for Jiu Rong New Energy).

The amount of income tax credit includes in profit or loss represents:

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Current tax – Hong Kong Profits Tax		
– Provision for charge for the period/year	–	–
	–	–
Current – the PRC		
– (Credit)/charge for the period/year	(436)	854
Deferred tax	(14,035)	(3,522)
	(14,471)	(2,668)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

15. INCOME TAX CREDIT (continued)

The income tax credit for the period/year can be reconciled to the loss for the period/year multiplied by applicable tax rate as follows:

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Loss before tax	(320,734)	(385,961)
Tax calculated at the domestic tax rate of 16.5% (Year ended 31 December 2023: 16.5%)	(52,921)	(63,684)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(18,951)	(31,222)
Tax effect of revenue not taxable for tax purposes	(1,704)	(2,474)
Tax effect of expenses not deductible for tax purposes	10,066	12,937
Tax effect of temporary differences not recognised	27,338	58,778
Tax effect of tax losses not recognised	21,701	22,997
Income tax credit	(14,471)	(2,668)

At 30 June 2025, the Group has unused tax losses of approximately HK\$462,462,000 (31 December 2023: HK\$371,213,000) available for offset against future profits. The said unrecognised tax losses may be carried forward for five years or indefinitely depends on the respective tax jurisdictions. In the eighteen months ended 30 June 2025, no tax assets have been recognised in respect of the unused tax loss of approximately HK\$461,741,000 (for the year ended 31 December 2023: HK\$370,491,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

16. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period/year attributable to owners of the Company of approximately HK\$306,263,000 (for the year ended 31 December 2023: loss of approximately HK\$383,293,000) and the weighted average number of approximately 5,472,000,000 (for the year ended 31 December 2023: 5,472,000,000) ordinary shares in issue during the year.

Diluted loss per share

The effect of the Company's outstanding share options for the eighteen months ended 30 June 2025 and year ended 31 December 2023 did not give rise to any dilution effect to the loss per share.

17. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the eighteen months ended 30 June 2025 and year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

18. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Office equipment HK\$'000	Construction in progress HK\$'000	Total HK\$'000
As at 30 June 2025					
COST:					
At 1 January 2024	720,923	815	7,382	27,767	756,887
Additions	651	–	48	37,345	38,044
Disposal/written off	(97,353)	(20)	(372)	–	(97,745)
Transfer	29,693	–	–	(29,693)	–
Exchange realignment	(2,795)	(4)	(34)	(2,453)	(5,286)
At 30 June 2025	651,119	791	7,024	32,966	691,900
ACCUMULATED DEPRECIATION AND IMPAIRMENT:					
At 1 January 2024	333,514	644	3,759	18,752	356,669
Provided during the period	80,016	100	3,045	–	83,161
Disposal/written off	(51,102)	(19)	(349)	–	(51,470)
Exchange realignment	(9)	(2)	(3)	(76)	(90)
At 30 June 2025	362,419	723	6,452	18,676	388,270
CARRYING AMOUNT:					
At 30 June 2025	288,700	68	572	14,290	303,630

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

18. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant and machinery HK\$'000	Motor vehicles HK\$'000	Office equipment HK\$'000	Construction in progress HK\$'000	Total HK\$'000
As at 31 December 2023					
COST:					
At 1 January 2023	730,933	839	10,071	23,488	765,331
Additions	3,186	–	471	19,799	23,456
Disposal/written off	(7,804)	–	(71)	–	(7,875)
Transfer	14,836	–	–	(14,836)	–
Exchange realignment	(20,228)	(24)	(3,089)	(684)	(24,025)
At 31 December 2023	720,923	815	7,382	27,767	756,887
ACCUMULATED DEPRECIATION AND IMPAIRMENT:					
At 1 January 2023	210,233	589	3,078	–	213,900
Provided during the year	65,032	70	1,156	–	66,258
Disposal/written off	(6,460)	–	(42)	–	(6,502)
Impairment	72,814	–	–	18,841	91,655
Exchange realignment	(8,105)	(15)	(433)	(89)	(8,642)
At 31 December 2023	333,514	644	3,759	18,752	356,669
CARRYING AMOUNT:					
At 31 December 2023	387,409	171	3,623	9,015	400,218

The impairment loss in the year ended 31 December 2023 included (i) impairment loss of approximately HK\$33,178,000 for certain electric energy storage device in the new energy charging stations due to revisions in the business plan; and (ii) impairment loss of approximately HK\$58,477,000 for certain production lines due to the digital video business performing less favorably than expected. According to the accounting policies of the Company, 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, which has been determined on the basis of their value in use using discounted cash flow method (level 3 fair value measurements) with a discount rate of 8%, whereas the fair value less costs of disposal for the digital video business was approximately HK\$3,726,000. Therefore, the recoverable amount of the relevant assets for the digital video business was based on the fair value less costs of disposal of approximately HK\$3,726,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

19. INVESTMENT PROPERTIES

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
At 1 January	736,434	784,004
Fair value loss on investment properties	(120,803)	(25,723)
Exchange realignment	(4,570)	(21,847)
At 30 June/31 December	611,061	736,434

The fair values of investment properties were valued by Cushman & Wakefield International Property Advisers, an independent qualified professional valuer.

As at 30 June 2025, investment properties of approximately HK\$603,090,000 (31 December 2023: HK\$654,071,000) were pledged for securing the Group's bank loans, trade and notes payables.

20. SUBSIDIARIES

Particulars of the Company's major subsidiaries as at 30 June 2025 and 31 December 2023 are set out below:

Company name	Place of incorporation/ registration and operation	Nominal value of issued and paid-up share/ registered paid-up capital	Percentage of equity interests attributable to the Company	Principal activities
<u>Directly held:</u>				
Ace Earn Limited	Hong Kong	HK\$1	100%	Trading of electronic application and related parts
China Big Data Cloud Computing Limited	Hong Kong	HK\$1	100%	Investment holding
China New Energy Investments Limited	Hong Kong	HK\$1	100%	Manufacturing and sales of green energy products

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

20. SUBSIDIARIES (continued)

Company name	Place of incorporation/ registration and operation	Nominal value of issued and paid-up share/ registered paid-up capital	Percentage of equity interests attributable to the Company	Principal activities
<u>Indirectly held:</u>				
Soyea Jiu Rong ¹	the PRC	RMB90,000,000	100%	Digital Video Business
Jiu Rong New Energy Science and Technology Limited* ("Jiu Rong New Energy") ¹	the PRC	US\$16,000,000	100%	New Energy Vehicles Business
Hangzhou Yunqi Cloud Data Limited* ² ("Yunqi Cloud Data")	the PRC	RMB100,000,000	100%	Cloud Ecological Big Data Business
Hangzhou Lu Yun Property Limited * ² ("Lu Yun")	the PRC	RMB100,000,000	100%	Properties Development and Properties Investment
Zhe Jiang Jiu Rong Shou Dian Limited* ² ("Zhe Jiang Jiu Rong Shou Dian")	the PRC	RMB30,000,000 ³	100%	New Energy Vehicles Business
Harbin Jiurong Information Technology Limited ("Harbin Jiurong")* ¹	the PRC	US\$200,000	100%	Cloud Ecological Big Data Business
Jiangsu Jiurong Integrated Energy Service Limited ("Jiangsu Jiurong")* ²	the PRC	RMB20,000,000	100%	New Energy Vehicles Business
Zhe Jiang Jiu Rong Intelligent Technology Limited* ("Jiu Rong Intelligent")* ²	the PRC	RMB100,000,000	100%	Digital Video Business

* The English names are for identification only

Notes

- (1) The subsidiaries are wholly foreign-owned enterprises incorporated in the PRC.
- (2) The subsidiaries are sino-foreign equity joint ventures incorporated in the PRC.
- (3) The registered capital of Zhe Jiang Jiu Rong Shou Dian is RMB30,000,000 of which none has been paid as at 30 June 2025 and 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

21. RIGHT-OF-USE ASSETS

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Right-of-use assets – land and buildings	12,025	13,704
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	5,016	4,066
– Between 1 and 2 years	2,856	4,476
– Between 2 and 5 years	5,984	5,037
– Over 5 years	2,106	4,311
	15,962	17,890
Eighteen months ended 30 June 2025/year ended 31 December 2023:		
Depreciation charge of right-of-use assets	6,210	3,174
Lease interests	2,090	1,071
Expenses related to short-term leases	7,034	13,050
Total cash outflow for leases	14,737	17,166
Additions to right-of-use assets	4,535	4,204

The Group leases various land and buildings lease agreements are typically made for fixed periods of 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

22. INVESTMENT IN ASSOCIATES

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Unlisted investments		
Share of net assets	129,471	196,563
	129,471	196,563

Particulars of the associate at the end of the reporting period are as follows:

Company name	Place of incorporation/ registration/ operations		Registered/Paid up share capital		Percentage of equity interests attributable to the Company		Principal activities	
	30 June 2025	31 December 2023	30 June 2025	31 December 2023	30 June 2025	31 December 2023	30 June 2025	31 December 2023
Heilongjiang Xin Luzhou Real Estate Development Limited* ("Xin Luzhou")	The PRC	The PRC	RMB300,000,000	RMB300,000,000	46%	46%	Properties Development	Properties Development
Wen Zhou Jing Du Guan Rong Technology Co., Ltd.* ("Jing Du Guan Rong")	The PRC	The PRC	RMB160,000,000	RMB160,000,000	48%	48%	Properties Development	Properties Development

* The English name is for identification only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

22. INVESTMENT IN ASSOCIATES (continued)

The following table shows information of the associates that is material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the associate.

Name	Xin Luzhou		Jing Du Guan Rong		Total	
Principal place of business/country of incorporation	The PRC/The PRC		The PRC/The PRC			
Principal activities	Properties Development		Properties Development			
% of ownership interests/voting rights held by the Group	46%		48%			
	30 June 2025 HK\$'000	31 December 2023 HK\$'000	30 June 2025 HK\$'000	31 December 2023 HK\$'000	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Non-current assets	9,275	9,794	256	396	9,531	10,190
Current assets	1,402,770	1,706,683	147,269	150,826	1,550,039	1,857,509
Current liabilities	(1,022,513)	(1,241,911)	(193,066)	(178,595)	(1,215,579)	(1,420,506)
Non-current liabilities	(108,073)	(47,255)	-	-	(108,073)	(47,255)
Net assets/(liabilities)	281,459	427,311	(45,541)	(27,373)	235,918	399,938
Group's share of net assets	129,471	196,563	-	-	129,471	196,563
Goodwill	-	-	-	-	-	-
Group's share of carrying amount of interests	129,471	196,563	-	-	129,471	196,563
Eighteen months ended 30 June/year ended 31 December:						
Revenue	323,507	349,455	-	-	323,507	349,455
Loss from continuing operations	(142,252)	(13,727)	(18,043)	(195,797)	(160,295)	(209,524)
Other comprehensive expenses	(3,599)	(12,648)	(126)	(3,904)	(3,725)	(16,552)
Total comprehensive expenses	(145,851)	(26,375)	(18,169)	(199,701)	(164,020)	(226,076)

The Group has not recognised loss for the period/year amounting to HK\$8,721,000 (year ended 31 December 2023: HK\$13,201,000) for Jing Du Guan Rong. The accumulated losses not recognised were HK\$21,922,000 (31 December 2023: HK\$13,201,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

23. DEFERRED TAX ASSETS/LIABILITIES

The movements in deferred tax assets are as follows:

	Tax losses	
	30 June	31 December
	2025	2023
	HK\$'000	HK\$'000
At beginning of the reporting period	119	119
Charge to profit or loss	–	–
Exchange realignment	–	–
At end of the reporting period	119	119

The movements in deferred tax liabilities are as follows:

	Accelerated tax depreciation	Fair value changes on investment properties	Fair value adjustment rising from business combination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	12,967	25,959	49,242	88,168
Charge/(credit) to profit or loss	2,909	(6,431)	–	(3,522)
Exchange realignment	(378)	(697)	(1,457)	(2,532)
At 31 December 2023 and 1 January 2024	15,498	18,831	47,785	82,114
Charge/(credit) to profit or loss	4,712	(18,747)	–	(14,035)
Exchange realignment	–	(84)	(194)	(278)
At 30 June 2025	20,210	–	47,591	67,801

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries and associates for which deferred tax liabilities have not been recognised is HK\$1,702,000 (31 December 2023: HK\$339,362,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$333,502,000 (31 December 2023: approximately HK\$241,482,000). No deferred tax assets has been recognised in relation to such temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

24. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Equity securities, at fair value		
Listed outside Hong Kong	16,827	24,206
Unlisted	6,096	10,531
	22,923	34,737
Analysed as:		
Non-current assets	22,923	34,737

The above investments are intended to be held for the medium to long-term. Designation of these investments as equity investments at fair value through other comprehensive income can avoid the volatility of the fair value changes of these investments to the profit or loss.

25. INVENTORIES

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Raw materials	6,914	16,351
Work in progress	90	72
Finished goods	2,130	5,585
	9,134	22,008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

26. PROPERTIES HELD FOR SALE

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Properties held for sale	82,439	81,698

All properties held for sale are located in Hangzhou of the PRC.

As at 30 June 2025, the carrying amount of properties held for sale pledged for securing the Group's loans from an indirect shareholder, trade and notes payables amounted to approximately HK\$82,439,000 (31 December 2023: HK\$68,163,000).

27. TRADE RECEIVABLES

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Trade receivables	425,945	493,112
Provision for loss allowance	(107,874)	(98,659)
	318,071	394,453

The Group's trading terms with its customers are mainly on credit, except for the new customers, where payment in advance is normally required. The credit period generally ranges from 0 to 360 days (Year ended 31 December 2023: 0 to 360 days). Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

An aged analysis of trade receivables, as at the end of the reporting periods based on the goods delivery date, and net of impairments, is as follows:

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Within 90 days	1,833	79,267
91 days to 180 days	19,872	1,462
181 days to 1 year	301	6,651
Over 1 year	296,065	307,073
	318,071	394,453

As at 30 June 2025, approximately HK\$23,687,000 (31 December 2023: HK\$13,537,000) of trade receivables were pledged to a bank to secure bank loans as set out in note 35 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

27. TRADE RECEIVABLES (continued)

Reconciliation of loss allowance for trade receivables:

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
At 1 January	98,659	957
Increase in loss allowance for the period/year	10,031	98,193
Exchange differences	(816)	(491)
At 30 June/31 December	107,874	98,659

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Over 30 days past due	Over 90 days past due	Over 180 days past due	Over 365 days past due	Total
At 30 June 2025						
Weighted average expected loss rate	0%	0%	0%	0%	27.2%	25.3%
Receivable amount (HK\$'000)	28,250	65	130	295	397,205	425,945
Loss allowance (HK\$'000)	–	–	–	–	(107,874)	(107,874)
At 31 December 2023						
Weighted average expected loss rate	0%	0%	0%	0%	24.2%	20.0%
Receivable amount (HK\$'000)	84,623	125	72	247	408,045	493,112
Loss allowance (HK\$'000)	–	–	–	–	(98,659)	(98,659)

The expected credit loss provision for trade receivables of approximately HK\$10,031,000 (31 December 2023: HK\$98,659,000) for the eighteen months ended 30 June 2025 was determined with reference to the valuation report provided by an independent qualified professional valuer, BonVision International Appraisals Limited, using the probability default method. The major inputs used in the valuation include probability of default, credit rating specific factor, country specific factor, recovery rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Prepayments	8,810	1,242
Deposits paid	1,965	2,177
Other receivables (note a)	81,172	215,928
Amounts due from associates (note b)	222,250	65,751
Amounts due from an a former director (note c)	8,304	8,304
	322,501	293,402

Notes:

- (a) Other receivables, among others included approximately HK\$30,454,000 (31 December 2023: HK\$156,469,000) that represented advance payments to former trade suppliers. As the Group no longer engaged in the corresponding trade, this was reclassified to as other receivables.
- (b) Amounts due from an associate, Jing Du Guan Rong of HK\$38,183,000 (31 December 2023: HK\$61,067,000) are unsecured, bearing interests of 12% per annum and overdue from August 2024. Both parties are presently engaged in discussions regarding the repayment schedule.
- Amount due from Xin Luzhou refer to note 43.
- (c) Amounts due from a former director represented the payment in advance to Mr. Siu Chi Ming, a former executive director of the Company. For further details, please refer to the announcement of the Company dated 26 March 2024.

The following table shows the movement in lifetime expected credit loss that has been recognised for other receivables.

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
At 1 January	51,168	–
Impairment loss recognised	15,193	51,168
Exchange differences	(249)	–
At 30 June/31 December	66,112	51,168

The expected credit loss recognised for other receivables of approximately HK\$15,193,000 (31 December 2023: HK\$51,168,000) for the eighteen months ended 30 June 2025 was determined with reference to the valuation report provided by an independent qualified professional valuer, BonVision International Appraisals Limited, using the probability default method. The major inputs used in the valuation include probability of default, credit rating specific factor, country specific factor, recovery rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

29. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Equity securities, at fair value Listed in Hong Kong	8,596	17,100

30. PLEDGED BANK DEPOSITS

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Pledged bank deposits	52,753	40,975

As at 30 June 2025 and 31 December 2023, certain notes payables and bank loans were secured by the pledged bank deposits.

31. CASH AND CASH EQUIVALENTS

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Cash and bank balances	2,971	4,247

Cash and cash equivalents denominated in:

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
EURO	57	2
USD	184	256
RMB	2,526	3,620
JPY	–	2
HK\$	204	367
	2,971	4,247

The RMB is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

32. TRADE AND NOTES PAYABLES

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Trade payables	474,684	944,651
Notes payables	177,536	277,045
	652,220	1,221,696

As at 30 June 2025 and 31 December 2023, certain notes payables were secured by the Group's investment properties, properties held for sale and pledged bank deposits.

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

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
<u>Outstanding balances with ages:</u>		
Within 180 days	32,319	127,331
181 days to 1 year	9,040	35,967
1 to 2 years	104,352	719,949
Over 2 years	328,973	61,404
	474,684	944,651

33. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Accruals		10,088	5,247
Salaries payable		1,199	5,622
Due to former shareholder of an associate	(i)	5,847	5,871
Interest payable		31,291	–
Deposit received		145,229	28,315
Advance payment from disposal of a subsidiary	(ii)	224,640	–
Others		45,087	17,528
		463,381	62,583

Notes:

- (i) It represents the outstanding balance of the purchase consideration in relation to the acquisition of an associate. The amounts is unsecured, non-interest bearing and has no fixed payment terms.
- (ii) On 28 June 2024, Yunqi Cloud Data, an indirect wholly-owned subsidiary of the Company and a company with limited liability established in the PRC engaged in software park operations ("the Buyer"), have entered into a letter of intent for equity transfer ("Letter of Intent") to dispose 100% equity interest in Lu Yun, another indirect wholly-owned subsidiary of the Company. Under the Letter of Intent, the Buyer will pay Yunqi Cloud Data an advance payment of RMB205,000,000 (approximately HK\$224,640,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

34. CONTRACT LIABILITIES

Disclosures of revenue-related items:

	As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000	As at 1 January 2023 HK\$'000
Contract liabilities – Digital Video Business	60,788	50,206	55,713
Contract receivables (included in trade receivables)	256,562	394,453	428,649

Transaction prices allocated to performance obligations unsatisfied at end of period/year and expected to be recognised as revenue in:

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
– Within one year	60,788	50,206

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Period/year ended 30 June/31 December		

Revenue recognised in the period/year that was included in contract liabilities at beginning of period/year	9,104	7,358
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Significant changes in contract liabilities during the period/year:

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Increase due to operations in the year	35,195	24,568
Transfer of contract liabilities to revenue	(24,410)	(28,983)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration from the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

35. BANK AND OTHER LOANS

	Notes	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Bank loans	(i)	364,259	607,170
Other loans	(ii)	48,599	68,104
Loans from an indirect shareholder	(iii)	414,871	–
		827,729	675,274

Notes:

- (i) As at 30 June 2025, the bank loans of approximately HK\$15,273,000 (31 December 2023: HK\$165,531,000) are secured by the Group's trade receivable and the bank loans of approximately HK\$348,986,000 (31 December 2023: HK\$395,545,000) are secured by the Group's investment properties.
- (ii) As at 30 June 2025 and 31 December 2023, the other loans are unsecured.
- (iii) As at 30 June 2025 the loans from an indirect shareholder are secured by properties held for sale and HK\$162,836,000 is overdue from 25 March 2025, HK\$252,035,000 is overdue from 11 January 2025.

At 30 June 2025 and 31 December 2023, the bank and other loans are due for repayment as follows:

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Current portion of term loan due for repayment within one year	627,197	329,417
Non-current portion of term loan due for repayment after one year		
After 1 year but within 2 years	7,671	88,439
After 2 years but within 5 years	64,652	117,134
After 5 years	128,209	140,284
	200,532	345,857
Total	827,729	675,274

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

35. BANK AND OTHER LOANS (continued)

The interest rates per annum at 30 June 2025/31 December 2023 were as follows:

	30 June 2025	31 December 2023
Bank loans	3.0% to 6.0%	3.0% to 6.0%
Other loans	5.0% to 7.0%	5.8% to 6.0%
Loans from an indirect shareholder	6.0%	N/A

36. DEFERRED GOVERNMENT GRANT

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
COST:		
At 1 January 2024/1 January 2023	116,191	118,929
Additions	–	597
Exchange realignment	(471)	(3,335)
At 30 June 2025/31 December 2023	115,720	116,191
ACCUMULATED AMORTISATION:		
At 1 January 2024/1 January 2023	70,483	62,050
Amortisation for the period/year	18,045	10,220
Exchange realignment	(49)	(1,787)
At 30 June 2025/31 December 2023	88,479	70,483
CARRYING AMOUNT:		
At 30 June 2025/31 December 2023	27,241	45,708
Analysed as:		
Current liabilities	13,652	9,726
Non-current liabilities	13,589	35,982
	27,241	45,708

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

37. LEASE LIABILITIES

	Lease payments		Present value of lease payments	
	30 June 2025 HK\$'000	31 December 2023 HK\$'000	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Within one year	5,016	4,066	4,101	3,889
In the second to fifth years, inclusive	8,840	9,513	7,413	6,901
After five years	2,106	4,311	2,004	3,942
	15,962	17,890	13,518	14,732
Less: Future finance charges	(2,444)	(3,158)	N/A	N/A
Present value of lease liabilities	13,518	14,732		
Less: Amount due for settlement within 12 months (shown under current liabilities)			(4,101)	(3,889)
Amount due for settlement after 12 months			9,417	10,843

At 30 June 2025, the average effective borrowing rate was 12% (31 December 2023: 12%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

38. SHARE CAPITAL

Ordinary shares of HK\$0.1 each	Number of shares	
	'000	HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each		
At 1 January 2023, 1 January 2024 and 30 June 2025	10,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.1 each		
At 1 January 2023, 1 January 2024 and 30 June 2025	5,472,000	547,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

39. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

The amounts of the Company's reserves and the movements therein for the period/year ended 30 June 2025 and 31 December 2023 are as follows:

	Share premium HK\$'000	Contributed surplus HK\$'000	Share-based payment reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023	179,968	98,938	27,359	(518,712)	(212,447)
Total comprehensive expenses for the year	–	–	–	(264,546)	(264,546)
At 31 December 2023	179,968	98,938	27,359	(783,258)	(476,993)
At 1 January 2024	179,968	98,938	27,359	(783,258)	(476,993)
Total comprehensive expenses for the period	–	–	–	(55,729)	(55,729)
At 30 June 2025	179,968	98,938	27,359	(838,987)	(532,722)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

39. RESERVES (continued)

(c) Nature and purpose of reserves

(i) *Share premium account*

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) *Contributed surplus*

The Group's contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the Company's shares issued in exchange therefore.

(iii) *Statutory surplus reserve*

In accordance with the relevant regulation in the PRC, the subsidiaries operating in the PRC are required to transfer 10% of their profits after tax, as determined under the accounting regulations in the PRC, to the statutory surplus reserve, until the balance of the fund reaches 50% of their respective registered capital. The statutory surplus reserve and the expansion reserve are non-distributable, and are subject to certain restrictions set out in the relevant regulations in the PRC. These reserves can be used either to offset against accumulated losses or be capitalised as paid-up capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of paid-up capital after the above mentioned usages.

(iv) *Equity investment revaluation reserve*

The equity investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 4(j)(ii) to the consolidated financial statements.

(v) *Share-based payment reserve*

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for the equity-settled share-based payments in note 4(t) to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

40. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 29 May 2014, the Company approved and adopted a share option scheme (the “**Scheme**”). The purpose of the Scheme is to provide incentives and/or rewards to any director, consultant, advisor including full-time or part-time employee of the Company and its subsidiaries, at the sole discretion of the board, for their contribution to, and their continuing efforts to promote the interests of the Company. The Scheme became effective on 30 May 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Scheme

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. 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 to a director, chief executive or substantial shareholder of the Company, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders’ approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, whichever is earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company’s shares on the date of the offer of the share options; and (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

40. SHARE OPTION SCHEME (continued)

The following table discloses movements of the Company's share options held by independent third parties during the period/year:

Name or category of participant	Outstanding 1 January 2024	Grant during the period	Exercise during the period	Outstanding at 30 June 2025
Employees	547,200,000	–	–	547,200,000
Exercisable at the end of the period				547,200,000
Weighted average exercise price	HK\$0.133	N/A	N/A	HK\$0.133

Name or category of participant	Outstanding 1 January 2023	Grant during the year	Exercise during the year	Outstanding at 31 December 2023
Employees	547,200,000	–	–	547,200,000
Exercisable at the end of the year				547,200,000
Weighted average exercise price	HK\$0.133	N/A	N/A	HK\$0.133

Fair value of the share option was calculated using the Binomial Tree model. The inputs of the model were as follows:

Grant date	25 July 2019
Share price	HK\$0.13
Exercise price	HK\$0.133
Expected volatility	31.913%
Expected life	10 Years
Risk free interest rate	1.56%
Dividend yield	0%

The options outstanding at the end of the period/year have a weighted average remaining contractual life of 4.07 (31 December 2023: 5.57) years. The estimated fair values of the options on the date of grant is HK\$27,359,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

41. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Property, plant and equipment		
– Contracted but not provided for	17,385	17,768
Capital contribution to subsidiaries	–	41,139
Capital contribution to associates	91,171	91,542
	108,556	150,449

42. LEASE COMMITMENTS

Commitments under operating leases

As lessor

At 30 June 2025 and 31 December 2023, the total future minimum lease income under non-cancellable operating leases are receivable as follows:

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
Within one year	22,674	14,766
In the second to fifth years, inclusive	10,319	13,245
	32,993	28,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

43. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the consolidated financial statement, the Group had the following transactions and balances with related parties during the period/year:

(a) Significant related party transactions

	1 January 2024 to 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Interest income from associates		
– Jing Du Guan Rong and Xin Luzhou	35,964	9,350

(b) Balances with related parties

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
	Notes	
Trade related		
Trade receivables – amounts due from an associate		
– Xin Luzhou	4,822	6,061
Non-trade related		
Other receivable – amounts due from associates		
– Jing Du Guan Rong	(i) 38,183	61,067
– Xin Luzhou	(ii) 184,067	4,684
	222,250	65,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

43. RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties (continued)

Notes:

- (i) Amounts due from Jing Du Guan Rong are unsecured, bear interests at 12% per annum and repayment in August 2024.
- (ii) Amounts due from Xin Luzhou are unsecured, interest-free, and have no fixed repayment terms. Under a debt assignment agreement, the other receivable of HK\$180,315,000 from Ningbo Gangde Innovation Electronics Co., Ltd was transferred to amounts due from Xin Luzhou.

(c) Key management compensation

The compensation of key management personnel is disclosed in note 14 to the consolidated financial statements.

44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the period/year:

	Lease liabilities HK\$'000	Bank and other loans HK\$'000	Total HK\$'000
At 1 January 2023	13,950	805,835	819,785
Changes in cash flows	(4,116)	(162,512)	(166,628)
Non-cash changes			
– addition	4,204	–	4,204
– interest charged	1,071	54,019	55,090
– exchange differences	(377)	(22,068)	(22,445)
At 31 December 2023 and 1 January 2024	14,732	675,274	690,006
Changes in cash flows	(7,703)	113,930	106,227
Non-cash changes			
– addition	4,535	–	4,535
– interest charged	2,090	69,367	71,457
– exchange differences	(136)	(30,842)	(30,978)
At 30 June 2025	13,518	827,729	841,247

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AS AT 30 JUNE 2025/31 DECEMBER 2023

	30 June 2025 HK\$'000	31 December 2023 HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	47	68
	47	68
CURRENT ASSETS		
Prepayments, deposits and other receivables	9,580	9,383
Amounts due from subsidiaries	–	46,461
Investments at fair value through profit or loss	8,596	17,100
Cash and cash equivalents	66	236
	18,242	73,180
CURRENT LIABILITIES		
Other payables and accruals	3,811	3,041
	3,811	3,041
NET CURRENT ASSETS	14,431	70,139
TOTAL ASSETS LESS CURRENT LIABILITIES	14,478	70,207
NET ASSETS	14,478	70,207
EQUITY		
Issued capital	547,200	547,200
Reserves	(532,722)	(476,993)
TOTAL EQUITY	14,478	70,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

46. MAJOR NON-CASH TRANSACTION

On 30 September 2024, Soyea Jiu Rong, an indirect wholly-owned subsidiary of the Company, Xin Luzhou, an associate of the Company, and Ningbo Gangde Innovation Electronic Co., Ltd, a debtor of Soyea Jiu Rong, entered into a debt agreement. Pursuant to this agreement, the repayment obligation of RMB107,508,000 (equivalent to approximately HK\$117,808,000) to Soyea Jiu Rong was transferred from Ningbo Gangde Innovation Electronic Co., Ltd to Xin Luzhou, resulting in the reclassification from other receivables to amount due from Xin Luzhou.

47. EVENT AFTER THE REPORTING PERIOD

On 28 August 2025, Jiu Rong New Energy, an indirect wholly-owned subsidiary of the Company disposed approximately 5.22% of the total issued share capital in Hangzhou East Software Park Co., Ltd. at a consideration of RMB36,487,800 to Hangzhou Yihe Network Co., Ltd., a company incorporated in the PRC with limited liability. Further details are set out in the announcement made by the Company on 28 August 2025.

On 10 September 2025, Jiu Rong New Energy, an indirect wholly-owned subsidiary of the Company and Nanjing GWDR Power Technology Co., Ltd. ("**Nanjing GWDR Power Technology**"), a limited liability company established under the laws of the PRC entered into a property rights transaction agreement ("**Property Rights Transaction Agreement**"). Pursuant to the Property Rights Transaction Agreement, Jiu Rong New Energy shall transfer, and Nanjing GWDR Power Technology shall acquire, 100% equity interests in Jiangsu Jiurong, an indirect wholly-owned subsidiary of the Company and its thirteen electric vehicle charging stations in Nanjing. Nanjing GWDR Power Technology shall pay the consideration of RMB6,870,000 to Jiu Rong New Energy and the transaction service fee, being RMB124,004, payable to Hangzhou Equity Exchange Co., Ltd. In addition, the loan owed to Jiu Rong New Energy, comprising a principal amount of RMB1,060,000 and accrued interest of approximately RMB18,000 shall be repaid by Jiangsu Jiurong, with such repayment undertaken by Nanjing GWDR Power Technology on behalf of Jiangsu Jiurong. Further details are set out in the announcement made by the Company on 10 September 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the eighteen months ended 30 June 2025

47. EVENT AFTER THE REPORTING PERIOD (continued)

On 15 September 2025, Soyea Jiu Rong, an indirect wholly-owned subsidiary of the Company, Yunqi Cloud Data, an indirect wholly-owned subsidiary of the Company, Westlake Electronics Group Co., Ltd. ("**Westlake Electronics**"), a creditor of Soyea Jiu Rong, entered into a claim swap agreement with Hangzhou Soyea Park Development Co., Ltd. ("**Hangzhou Soyea**"), a creditor of Yunqi Cloud Data. Pursuant to this agreement, the repayment obligation of RMB148,600,000 (equivalent to approximately HK\$162,836,000) from Soyea Jiu Rong to Westlake Electronics was transferred to Yunqi Cloud Data, the repayment obligation of RMB148,600,000 (equivalent to approximately HK\$162,836,000) from Yunqi Cloud Data to Hangzhou Soyea was transferred to Soyea Jiu Rong. Soyea Jiu Rong and Suzhou Sutou Precious Metals Culture Development Co., Ltd. ("**Suzhou Sutou**"), a debtor of Soyea Jiu Rong entered into a debt agreement with Hangzhou Soyea, a creditor of Soyea Jiu Rong. Pursuant to this agreement, Suzhou Sutou repaid the debt amounting to RMB99,111,000 (equivalent to approximately HK\$108,606,000) to Hangzhou Soyea on behalf of Soyea Jiu Rong, resulting in the netting off between the amounts due from Suzhou Sutou and the amounts due to Hangzhou Soyea.

48. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 September 2025.

FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of the published consolidated results from continuing operations and a discontinued operation and consolidated assets, liabilities and non-controlling interests of the Group for the last five financial years.

	For the eighteen months ended 30 June 2025 HK\$'000	Year ended 31 December			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
CONTINUING OPERATIONS					
Turnover	875,247	471,779	837,897	1,282,459	722,214
Profit/(loss) before tax	(320,734)	(385,961)	(84,101)	35,330	38,299
Income tax (expense)/credit	14,471	2,668	(6,050)	(19,039)	(15,395)
Profit/(loss) for the period/year from continuing operations	(306,263)	(383,293)	(90,151)	16,291	22,904
Profit/(loss) for the period/year	(306,263)	(383,293)	(90,151)	16,291	22,904
Profit/(loss) attributable to: Owners of the Company	(306,263)	(383,293)	(90,151)	16,291	22,904

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	At 30 June 2025 HK\$'000	At 31 December			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Total assets	1,876,254	2,235,658	2,956,226	2,980,555	2,664,389
Total liabilities	(2,112,678)	(2,152,722)	(2,480,672)	(2,380,626)	(2,102,016)
Net (liabilities)/assets	(236,424)	82,936	475,554	599,929	562,373