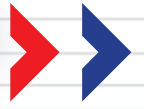


# Annual Report 2025



## Wison Engineering Builds a Better World

**Wison Engineering Services Co. Ltd.**

(Incorporated in the Cayman Islands with limited liability Stock Code: 2236)



# WISON ENGINEERING >>

**CHINA'S LEADING ENERGY AND  
CHEMICAL ENGINEERING EPC SERVICE  
AND TECHNOLOGY INTEGRATION  
SOLUTION PROVIDER**



The background of the page is a light gray technical drawing or blueprint. It features various mechanical components, including a cylindrical part with a helical thread on the left, a circular flange with several holes on the top right, and a complex assembly of pipes and structural elements on the right side. The drawing uses fine lines and hatching to represent different materials and parts.

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 **Corporate  
Information**



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Zhou Hongliang  
*(Chairman & Chief Executive Officer)*<sup>(1)</sup>  
 Mr. Zheng Shifeng  
 Mr. Li Dun *(Chief Financial Officer)*

### Non-executive Director

Mr. Liu Hongjun<sup>(1)</sup>

### Independent Non-executive Directors

Mr. Lawrence Lee  
 Mr. Feng Guohua  
 Ms. Guo Ruqian  
 Prof. Shi Donghui<sup>(3)</sup>  
 Prof. Dong Jing<sup>(4)</sup>

## AUDIT COMMITTEE

Mr. Lawrence Lee *(Chairman)*  
 Mr. Feng Guohua  
 Ms. Guo Ruqian<sup>(2)</sup>  
 Prof. Shi Donghui<sup>(3)</sup>  
 Prof. Dong Jing<sup>(4)</sup>

## NOMINATION COMMITTEE

Ms. Guo Ruqian *(Chairman)*<sup>(2)</sup>  
 Mr. Feng Guohua  
 Mr. Lawrence Lee  
 Prof. Shi Donghui<sup>(3)</sup>  
 Prof. Dong Jing<sup>(4)</sup>

## REMUNERATION COMMITTEE

Mr. Feng Guohua *(Chairman)*  
 Mr. Lawrence Lee  
 Ms. Guo Ruqian<sup>(2)</sup>  
 Prof. Shi Donghui<sup>(3)</sup>  
 Prof. Dong Jing<sup>(4)</sup>

## GLOBAL HEADQUARTERS, PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

633 Zhongke Road  
 Zhangjiang Hi-Tech Park  
 Pudong New Area  
 Shanghai 201210  
 PRC

### Notes:

- <sup>(1)</sup> Mr. Zhou Hongliang has been appointed as the Chairman of the Board to succeed Mr. Liu Hongjun with effect from 27 March 2025.
- <sup>(2)</sup> Ms. Guo Ruqian has been appointed as a member of each of the audit committee (the "**Audit Committee**"), the nomination committee (the "**Nomination Committee**") and the remuneration committee of the Company (the "**Remuneration Committee**") with effect from 27 March 2025.
- <sup>(3)</sup> Prof. Shi Donghui has been appointed as an independent non-executive director of the Company with effect from 21 August 2025, and as a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 29 December 2025.
- <sup>(4)</sup> Prof. Dong Jing has been appointed as an independent non-executive director of the Company with effect from 21 August 2025, and as a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 29 December 2025.

## Corporate Information

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17/F, Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

### COMPANY SECRETARY

Ms. Tsang Chi Ka

### AUTHORISED REPRESENTATIVES

Mr. Zhou Hongliang  
Ms. Tsang Chi Ka

### AUDITORS

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

### PRINCIPAL BANKS

China CITIC Bank Corporation Limited  
Shanghai Pudong Development Bank Co., Ltd.  
Bank of China Limited  
China Merchants Bank Co., Ltd.  
Industrial and Commercial Bank of China Limited

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2507  
25th Floor  
Central Plaza  
18 Harbour Road  
Wan Chai  
Hong Kong

### COMPANY'S WEBSITE

[www.wison-engineering.com](http://www.wison-engineering.com)

### STOCK CODE

2236



# Financial Summary



# Financial Summary

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>Results</b>					
Revenue	<b>7,604,649</b>	5,647,335	3,842,719	4,658,780	6,279,549
Gross profit	<b>607,187</b>	445,216	227,202	(208,300)	458,797
Profit/(loss) before tax	<b>181,750</b>	146,016	(202,369)	(1,175,466)	(66,985)
Income tax (expense)/ credit	<b>(36,349)</b>	(11,343)	3,991	(21,920)	(25,854)
Profit/(loss) for the year	<b>145,401</b>	134,673	(198,378)	(1,197,386)	(92,839)
Attributable to:					
Owners of the parent	<b>142,392</b>	141,626	(196,122)	(1,185,486)	(92,611)
Non-controlling interests	<b>3,009</b>	(6,953)	(2,256)	(11,900)	(228)
Earnings/(loss) per share (RMB cents)					
– Basic	<b>3.50</b>	3.48	(4.81)	(29.10)	(2.27)
– Diluted	<b>3.49</b>	3.48	(4.81)	(29.10)	(2.27)

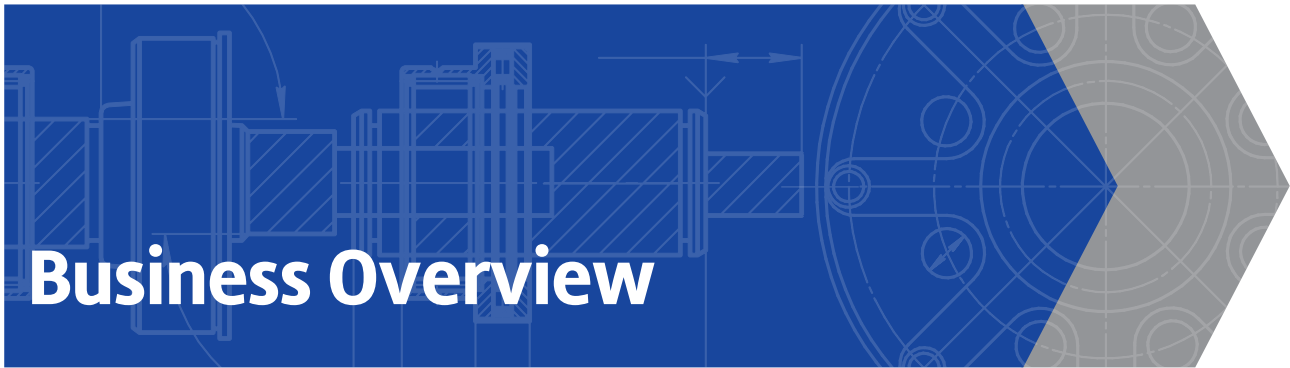
## Financial Summary

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>Assets and liabilities</b>					
Non-current assets	<b>4,197,851</b>	4,018,919	3,982,940	4,037,489	4,135,517
Current assets	<b>5,929,813</b>	8,275,207	5,476,777	4,906,056	5,962,904
Current liabilities	<b>5,863,773</b>	7,544,637	5,188,260	4,797,821	5,714,899
Net current assets	<b>66,040</b>	730,570	288,517	108,235	248,005
Total assets less current liabilities	<b>4,263,891</b>	4,749,489	4,271,457	4,145,724	4,383,522
Non-current liabilities	<b>1,406,257</b>	2,096,226	1,822,674	1,570,123	736,483
Net assets	<b>2,857,634</b>	2,653,263	2,448,783	2,575,601	3,647,039
Share capital	<b>30,578</b>	330,578	330,578	330,578	330,578
Reserves	<b>2,549,223</b>	2,344,346	2,132,913	2,257,475	3,317,013
Non-controlling interests	<b>(18,652)</b>	(21,661)	(14,708)	(12,452)	(552)
Total equity	<b>2,857,634</b>	2,653,263	2,448,783	2,575,601	3,647,039



**Business  
Overview**





# Business Overview

## REVIEW OF 2025 ANNUAL RESULTS AND OUTLOOK

### MARKET AND RESULTS OVERVIEW

In 2025, Wison Engineering Services Co. Ltd. (“**Wison Engineering**” or the “**Company**”) remained committed to its mission of “Technology Innovation for a Better Future” and strove to become a globally distinguished environmental friendly service provider. Upholding the values of integrity, innovation, entrepreneurship, responsibility, respect, and win-win, the Company continued to drive both its own growth and that of society. During the year ended 31 December 2025 (the “**Year**” or the “**Reporting Period**”), Wison Engineering kept expediting its internationalisation, increased its investment in research and development of green and low-carbon technologies, and enhanced its digital and modular capabilities, and consolidated its core competitiveness. Meanwhile, the Company has deepened its presence in the field of energy and chemical engineering to secure a leading position in the market, and has been seizing the opportunities in the new energy market to accelerate its green transformation. Wison Engineering continuously developed new markets and new fields, and enhanced its operational and management benefits to create value for its customers.

During the Reporting Period, escalated global tariff frictions, heightened geopolitical tensions, trade policy uncertainty and high financial market volatility all exerted heavy pressure on the global economy. In the face of multiple challenges, the global economy showed an overall trend of “moderate slowdown”, demonstrating resilience amidst fragility. There were significant disparities in growth across different economies. Facing the complex and severe situation where the external environment saw rapid changes and domestic difficulties and challenges were increasing, China’s economy, driven by strong domestic demand and industrial upgrading, achieved better-than-expected steady growth, with an annual GDP of 140.2 trillion yuan in 2025, a year-on-year growth of 5.0%. China was among the top economies in the world, providing key stability for global economic growth, and also successfully concluding the 14th Five-Year Plan.

In 2025, the global energy market underwent profound changes and structural adjustments. Under the interplay of geopolitical games, global supply chain reconfiguration and accelerated low-carbon transition, the traditional oil market was at the end of the production cycle, with excess supply, declining profit margins and reduced investment willingness. Simultaneously, industrial policies accelerated the elimination of old and inefficient production capacity

## Business Overview

and adjusted energy towards a high-end and green direction. The green, low-carbon, new energy and new materials sectors saw unprecedented development opportunities. Globally, energy investment hit a record high, with clean energy playing an overwhelmingly dominant role. The Middle East, capitalising on its resource advantages and willingness to transform, became a hot global energy investment destination. Many companies increased their capital expenditure and accelerated energy diversification, injecting new momentum into the future evolution of the global energy system.

During the Reporting Period, the Company and its subsidiaries (collectively, the “**Group**”) recorded revenue of approximately RMB7,604.6 million (for the 12 months ended 31 December 2024: approximately RMB5,647.3 million), representing a year-on-year increase of 34.7%. Gross profit amounted to approximately RMB607.2 million (for the 12 months ended 31 December 2024: approximately RMB445.2 million), representing a year-on-year increase of 36.4%. Profit attributable to owners of the parent company amounted to approximately RMB142.4 million (for the 12 months ended 31 December 2024: profit attributable to owners of the parent company of approximately RMB141.6 million). In 2025, the total value of new contracts secured by the Group amounted to approximately RMB5,041.0 million (net of estimated value added tax (“**VAT**”)), representing a decrease of approximately RMB5,824.1 million as compared to 2024. As at 31 December 2025, the total value of the Company’s outstanding contracts was approximately RMB16,391.2 million (net of estimated VAT), representing a decrease of approximately RMB9,328.1 million from the total value of outstanding contracts as at 31 December 2024.

## BUSINESS AND OPERATIONS REVIEW

### Consolidating Core Businesses and Venturing into Emerging Areas

During the Reporting Period, Wison Engineering maintained a steady pace of development, focused on its energy business and advantageous areas, and continuously promoted internationalisation, digitalisation and new energy transformation. It progressed steadily in ethylene, propane dehydrogenation (“**PDH**”), polyolefins (PP/PE/POE), methanol-to-olefins (“**MTO**”), oil and gas processing, and tracking of green energy business opportunities, with smooth project execution, and both market development and efficiency improvement.

In the field of new energy technologies (“**R&D**”), the Company maintained steady investment and expedited its presence in new markets. Breakthroughs were made in emerging technologies and products, including degradable plastics (“**PGA**”), methyl methacrylate (“**MMA**”), carbon emission reduction, green alcohol and green ammonia. It promoted the implementation of its new energy transition and upgrading strategy, injecting a new impetus into its long-term growth.

Key projects at domestic and overseas proceeded in an orderly manner, and a number of projects were successfully delivered in the mid term and put into production, ensuring that all key projects were carried out as scheduled and achieved their expected objectives. The progress of key projects is set out below:

## Business Overview

**UAE’s sulphur granulation project:** The overall project was 9% complete, with engineering, procurement and construction work 53%, 9% and 4% finished, respectively. Model review in the engineering phase was 60% complete, long-term equipment ordering was finished, and on-site civil works were fully underway. The owner appreciated the Company for its professional competences and performance spirit in the execution of the project.

**Qatar’s EPC4 sulphur-handling project:** The overall project was 82% complete, with engineering, procurement and construction work 99%, 95% and 65% finished, respectively. It is currently at the peak of structural and piping installation, with mechanical completion scheduled for December 2026.

**Saudi Aramco’s DPCU project:** The engineering work was 100% complete, with procurement work 99% and construction work 95% finished. The project is scheduled to be completed and delivered in April 2026, which will bring benefits to the expansion of the owner’s oil and gas business.

**FARABI’s Lab4 project in Saudi Arabia:** The acceptance certificate for the facility was awarded on 23 July 2025. The project was successfully commissioned and produced standard products on 1 September 2025. This milestone marks a new progress in the Company’s internationalisation, demonstrating its competitiveness and execution capabilities in the international market and earning praise from the owner.

**Guangxi Huayi’s MTO project:** The project achieved mid-term delivery as scheduled on 28 December 2025. As the world’s first million-ton MTO plant, the project was delivered to the owner as an engineering, procurement and construction (the “EPC”) contract. It has now entered the commissioning stage, which will help Guangxi Huayi realise its investment objectives for the project.

**Wanhua’s Phase II 1.2 million-tonne ethylene project:** It successfully commenced operations in a single start-up on 1 April 2025. This is the proprietary ethylene technology independently developed by Wison Engineering, applied for the first time to a million-tonne-plus ethylene plant. The successful start-up of this plant fills a gap in the Company’s track record in proprietary ethylene technology and the design of large-scale, million-tonne-plus ethylene plants, laying another cornerstone for the Company’s future development.

**Wanhua’s Phase I ethylene feedstock diversification and retrofitting project:** It achieved high-standard mid-term delivery on 5 December 2025, and has entered the production and operation preparation phase; This is the first ethylene plant in China to use the Company’s proprietary ethylene technology, using 100% ethane as feedstock, with an annual capacity of 1.2 million tonnes of ethylene.

**Yangmei First Fertilizer syngas upgrading project:** The project was successfully delivered in the mid term on 18 November 2025, and was successfully commissioned and put into production on 24 December 2025, marking the successful achievement of the project’s targets. This helped the owner realise production capacity expansion and product technology upgrading, fully demonstrating the Company’s technological strength and execution capabilities in EPC contracting in the C-1 chemical industry.

## Business Overview

### Continuous Enhancement in Project Management Competence

During the Reporting Period, the Company adhered to its overarching strategic objectives of innovation, transformation, efficiency, and global business development, and promoted the standardisation, internationalisation, digitalisation and fine management of project execution on all fronts. Continuous efforts were made to optimise the integrated project management platform, build a digital system for the design and entire supply chain, and propel the in-depth integration of resource allocation, progress control, risk management and customer satisfaction, striving to establish a project execution team with international standards. It strengthened the project management system, refined its procedures and bolstered risk management and control capabilities, in order to enhance its core competitiveness, improve customer satisfaction and create greater value for shareholders.

### Leader in QHSE Management

In 2025, in the context of “internationalisation”, the Company continuously strengthened its quality, health, safety, and environment (QHSE) management. It expanded its engineering services towards green carbon emission reduction and new energy development, striving to provide customers with higher-quality products and services, and also ensure the safety and occupational health of all employees. To be specific, it implemented measures for green environmental protection, energy conservation, and carbon emission reduction.

During the Reporting Period, the key health, safety and environment (the “HSE”) indicators for the Company’s contracted projects all met the targets set at the beginning of 2025. A total of 22.82 million safe man-hours were achieved across domestic and overseas projects under construction, and no lost-time incidents, environmental pollution incidents, or occupational health incidents occurred on any project. Among them, Saudi Aramco’s DPCU project reached 13 million safe man-hours, Qatar’s EPC-4 project accumulated a total of 6.77 million safe man-hours, Saudi Arabia’s FARABI LAB-4 project recorded 9 million safe man-hours, Yangmei First Fertilizer Plant’s project achieved 3.5 million safe man-hours, and Guangxi Huayi’s MTO project achieved 4.7 million safe man-hours. During the Year, the Company was honored as a monthly advanced collective in safety by the owner for 8 times.

During the Reporting Period, the Company continuously facilitated the implementation of its production safety responsibility system. It strengthened the popularisation and learning of the 2025 Production Safety Responsibility System, in order to promote the implementation of “direct responsibility + local management” and “grid-based” management at project sites. The projects aim to achieve the effective operation of the HSE management system. Leveraging its collaborations with world-class refining and energy suppliers such as Saudi Aramco, Abu Dhabi National Oil Company (ADNOC), and QatarEnergy, as well as leading domestic energy and chemical enterprises like Wanhua and Huayi, the Company has drawn on diverse strengths and assimilated various best practices. In the course of its projects, it conducted the HSE management with high standards and high

## Business Overview

targets by establishing a sound project management system and an organization system and fully leveraging the HSE management resources, resulting in strong performance in achieving the project’s HSE management goals and targets.

### Expanding Global Cooperation and Accelerating Green Energy Transition

In 2025, amidst the deep adjustment of the global energy structure and the low-carbon upgrading of the chemical industry chain, the Company operated in more complicated environments than that of the previous year due to the fluctuation of the macroeconomic environment and some owners’ slow pace in making investment decisions. The Company, powered by “technology leadership and global presence”, optimised its business structure and regional layout, and steadily pushed forward the internationalisation of its operations and the development of its new energy business, laying a solid foundation for mid- to long-term transformation and upgrading as well as high-quality development.

In the Middle East market, the Company, with existing experience in oil and gas and chemical engineering, further deepened its partnerships with international energy companies, such as Saudi Aramco and ADNOC, and participated in projects regarding oil and gas processing. During the Reporting Period, it secured an EPC contract for the sulphur granulation project from ADNOC, signifying substantial progress in the expansion of its projects in the core Middle East market and further consolidating its market position in the region. Concurrently, the Company secured a front-end engineering design (FEED) contract for a biomass-to-methanol project in Turkey and completed the delivery of the relevant work during the Reporting Period.

In Africa, after completing the FEED contract for a propane dehydrogenation and polypropylene and utilities project in Nigeria, the Company subsequently secured a FEED contract for a gas processing project in Nigeria. This accumulates preliminary engineering experience for its potential general contracting business in the future and helps expand the market space in the African region.

It focused on opportunities arising from new energy-related projects in the European market, and offered preliminary solutions for green hydrogen and green ammonia projects to customers in France and Portugal, gradually increasing its participation and market recognition in the European new energy engineering field.

### Steady Progress in Commercialisation of Core Proprietary Technologies

During the Reporting Period, the Company advanced the project application of its proprietary and collaborative technologies. In the field of methanol-to-olefin, the EPC project for Guangxi Huayi’s 1-million-tonne/year MTO plant was delivered on schedule. The smooth implementation and delivery of the project, as the world’s first million-ton MTO plant, demonstrated the Company’s comprehensive capabilities in the engineering organisation, project management and technology project application of large chemical plants, further consolidating its project implementation advantages at the technology level.

## Business Overview

### **Accelerated Green Transition: Technology Empowers Industries, and Demonstration Scales up Projects**

Closely grasping the historical opportunities from global energy transition, the Company firmly adopted the dual-drive strategy of “technology innovation + project transformation”, enabling new energy technologies to move from innovation breakthroughs to the large-scale implementation of projects in an accelerated manner. During the Reporting Period, the Company achieved significant results in cutting-edge technologies, including power-to-X (P2X), biomass-to-X (B2X) and carbon capture and utilisation (CCU), and the collaborative innovation effects of the industrial chain became increasingly prominent, injecting strong impetus for the in-depth development of the green energy industry.

### **Deepening Presence in the Domestic Market and Expanding Overseas Territories**

In the domestic market, the Company focused on new energy-rich regions, such as Inner Mongolia and Northeast China, and closely followed the wind/solar-to-green hydrogen/ammonia, biomass-to-green-methanol/green LNG (e-LNG) projects, and sustainable aviation fuel (SAF) projects with various process routes. Through in-depth participation in the preliminary consultation, technical service and bidding of many typical projects, the Company has built a certain project reserve pool, laying the foundation for breakthroughs in substantive engineering service orders in the future.

With overseas markets as its strategic focus, it showed a broad prospect for development in Europe, the Middle East, Southeast Asia, North America and Africa. With its performance in the design and EPC tenders for many large new energy projects around the world, the Company was awarded the FEED contract for a biomass-to-green-methanol project in Turkey, the pre-FEED contract for a green hydrogen and green gas project in Europe, and the technical service contract for a new energy lithium battery material project in North America during the Reporting Period. Currently, all the above projects progressed smoothly with good execution results. Furthermore, the Company forged strategic partnerships with a number of internationally renowned patent dealers and overseas customers to promote consulting, FEED and EPC tenders for green hydrogen, green ammonia, green methanol, SAF and CCU projects across the globe, which has significantly strengthened its capability to secure global orders.

### **Core Strategic Framework: Four Core Products, Three Major Routes and Digital Engine**

During the Reporting Period, the Company further consolidated its value centered on “modularisation, standardisation, productisation and intelligentisation”, and established a clear “4+3+1” strategic framework, i.e. focusing on the four core products — green ammonia, green methanol, green methane (e-NG) and SAF, deepening the three core technical routes — P2X, B2X, and CCU, and relying on a digital renewable energy intelligence platform (ReIPS) to build up core competitiveness across the entire industrial chain, covering technology research and development, process optimisation, and modular delivery.

## Business Overview

### Global Ecological Synergy: Building “Technology + Delivery” Full-Process Capabilities

The Company actively established an ecological network for global upstream and downstream cooperation to deepen the synergy effect with international leading technology patent dealers. During the Reporting Period, the Company maintained regular cooperation and exchanges with top-class global proprietary technology providers, and carried out in-depth project cooperation in such fields as methanol, ammonia synthesis, sustainable aviation fuel, and system control. By integrating the advantageous resources of all parties in technology research and development, marketing channels, project execution, modular delivery and global supply chain, the Company has successfully created a highly competitive total solution with “technology + delivery” for green fuel projects, building up its full-process engineering service capability from conceptual design to commercialisation.

### Remarkable Achievements in the R&D of New Processes

In terms of innovative technology development and industrialization of degradable plastics, the Company’s collaboration with Inner Mongolia Rongxin Chemical Co., Ltd. achieved a full-process breakthrough and continuous stable operation of the thousand-tonne-scale polyglycolic acid pilot plant during the Reporting Period. Qualified products were produced on 13 August 2025 and passed acceptance on 24 October 2025. Currently, the development of the industrial-grade production equipment process package has been completed, making the Company one of the few technology providers in China to achieve continuous and stable operation of the entire process. This process uses

coal-based syngas to produce degradable plastics, which aligns with China’s energy structure and possesses significant industrial advantages and application prospects.

The 1.2 million-tonne ethylene plant, built with Wison Engineering’s proprietary ethylene technology, was successfully commissioned and started up at Wanhua Chemical on 1 April 2025. This is the proprietary ethylene technology independently developed by Wison Engineering, applied for the first time to a million-tonne-plus ethylene plant. The successful start-up of this plant fills a gap in the Company’s track record in proprietary ethylene technology and the design of large-scale, million-tonne-plus ethylene plants, laying another cornerstone for the Company’s future development.

Wanhua Chemical’s 1.0 million-tonne ethylene feedstock diversification and retrofitting project achieved high-standard mid-term delivery on 5 December 2025. This project adopted the proprietary ethylene technology independently developed by Wison Engineering. After the retrofitting, the plant uses pure ethane as feedstock, and its capacity was increased from 1.0 million tonnes to 1.2 million tonnes of ethylene. This is the first ethylene plant in China of the million-tonne-plus grade to use domestically-produced ethylene technology with all-ethane as feedstock. Under the background of “dual carbon” strategy, this project has set a new benchmark for the green, low-carbon, low-energy-consumption, and high-quality development of China’s ethylene industry.

## Business Overview

During the Reporting Period, the Company signed a contract with Dongming Zhongyou Fuel and Petrochemical Co., Ltd. for technology licensing and process design package preparation for its ethylene, pyrolysis gasoline hydrogenation, butadiene extraction, and MTBE/butene-1 projects, with delivery completed according to the contract schedule.

The Company is committed to promoting the leading domestic and international catalysts and process technologies for the oxidative dehydrogenation of butene to butadiene. During the Reporting Period, the Company entered into contracts regarding a process package, engineering design and catalyst supply for the technology upgrading project of the 100,000 tonnes/year butadiene oxidative dehydrogenation to butadiene plant with Shandong Wintter Chemical Co., Ltd., a subsidiary of Wanda Chemical Group. At the same time, a sideline test was conducted on a next generation of energy-saving butadiene oxidative dehydrogenation reaction technology and catalysts, which is a big step forward for the commercialisation of the technology.

In terms of processes and technologies, the Company has been committed to the innovation of C4 separation technology. Utilising a new solvent for C4 alkane and alkene separation, this technology

reduces energy consumption by over 40% and wastewater generation by over 90% compared to traditional processes. A domestic company managed to kick-start in November 2025 its facility that was revamped using energy-saving C4 separation technology, with standard products produced. The successful utilisation of this technology has become another major technological highlight of Wison Engineering. Based on previously industrialised butadiene extraction technology, a new generation of butadiene extraction technology has been successfully developed through technological innovation. Compared with traditional extraction processes, it reduces energy consumption by over 10% and has been successfully commercialised. The successful commercialisation of this technology allows Wison Engineering to maintain its leading edge in the field of domestic butadiene extraction technology and will also promote the overall improvement of the domestic butadiene industry.

During the Reporting Period, Wison Engineering secured 15 new authorised patents and 1 registered software copyright, including 7 invention patents and 8 utility model patents. It filed 18 new patent applications, mainly in the field of new energy, continuously strengthening its intellectual property rights and technical reserves.

## Business Overview

### **Deepening the Integration and Application of Integrated Platform, and Comprehensively Building the Foundation for Digital Control across the Whole EPC Chain**

During the Reporting Period, the Company firmly adopted the digital transformation strategy, established an integrated platform to complete the integration, functional upgrading and deepened application of the core systems, conducted the digital management of the entire EPC chain, and greatly improved digital management and control capabilities. This highlights the value of empowerment of digitalisation on project management and operational efficiency, thus building a solid digital foundation for the Company's high-quality development.

It improved its integrated platform and implemented projects, creating a digital information highway that connects all aspects from engineering, procurement, construction, document control to supplier management, and realizing the interconnection and efficient flow of data in all systems. The platform has been fully applied in ADNOC and other key projects. A standardised digital management model took shape based on project practice, providing all-around digital support for lifecycle project management.

The core business system was upgraded with functional expansion, and the digitalised management and control capability continued to be strengthened. The material coding system saw the standardization of coding management, effectively ensuring the uniqueness and accuracy of material coding for each project. The document control system, covering all aspects of EPC, can support the core businesses, including supplier document review, subcontractor document review, third-party collaboration, and receipt and issuance of documents of owners, providing projects with full-process empowerment in terms of full-lifecycle document control, high-efficiency sharing, and cross-team collaboration. The supply chain system realised the closed-loop full-chain digital management from the design of a bill of material (BOM) to material warehousing. The construction management system (CMS) was added with the core functions of construction, quality, cost, and resource management.

A breakthrough improvement was made in the digitalisation of fund management. The Company leveraged direct bank-enterprise connections to monitor fund business in real time, and completed the seamless connection with the financial system and OA system, which has greatly increased the efficiency of its payment and settlement. Moreover, it refined the internal control system for funds, effectively prevented the risks from the fund business through multi-dimensional monitoring, supported the standardised, efficient and safe fund management, and built a firm digital line of defense for fund management.

## Business Overview

The Company will keep upgrading its various systems, deepen the profound integration of digital technology with its core business, further unleash the value of digital empowerment, and move its digital transformation to a deeper and higher level.

### **Driving the Three-Pronged Transformation with “Changes”, and Creating the Value for Human Resources**

In 2025, the Company continued to deepen its core human resources strategy of “three-pronged transformation”. Targeting organisational changes and guided by the goal of “attracting, retaining, choosing, and fostering talents”, the Company continued its efforts to shift from a “service-oriented” HR system to a “drive-oriented” one, providing solid talent and organisational support for accelerated transformation and global expansion.

In the light of organisational efficiency improvement, it shifted from “scale” to “capability” in employment throughout the year, and focused on project execution and the building of key capabilities in international business. The Company has introduced talents for key positions in new energy, green hydrogen and green ammonia, and project management. It has enhanced the talent reserve in new business areas, improved the consistency and credibility of employment decisions, and ensured the smooth organizational operation.

With the goal of “attracting talents”, the Company systematically built a global talent pool. In terms of experienced recruitment, it has accumulated information concerning approximately 2,000 individuals, including talents in project execution, overseas management, and key technical experts. From the perspective of school recruitment, it established strategic school-enterprise partnerships with Zhejiang University and East China University of Science and Technology, set up special scholarships, employed corporate mentors, jointly established international student internship and practice bases, expanded employment channels for renowned Asian universities, including National University of Singapore and Nanyang Technological University, and strengthened the employer brand influence.

For talent “availability and development”, it systematically implemented the “three horizontal and two vertical” talent development system, and created a hierarchical and channelised talent growth path through leadership development, project manager training, cross-cultural communication and other key projects. As far as incentives and care are concerned, the Company completed the implementation of the equity incentive program, and launched the Newbie Guide to optimise the experience of new hires. In terms of digitalisation, digital tools, including digital human interview, language assessment and value assessment, have been introduced, aiming to establish a three-dimensional selection standard based on “capability + language + culture”.

## Business Overview

### OUTLOOK

#### **Committed to become a globally distinguished environmental friendly service provider**

In early 2026, global energy prices fluctuated due to geopolitical factors, exacerbating market uncertainty and supply chain pressures. In addition, the development of green energy will enter the stage of “from vision to reality”, also a phase of full-scale implementation. Energy storage, hydrogen, renewable energy, and green fuels may enter a period of large-scale commercialisation. The global energy industry is entering a critical phase of deep adjustment and structural reshaping, firmly moving towards diversification, clean energy, and low-carbon development. China, with advantages in the entire industrial chain, will see “high-quality global development”.

At present, the Company is in a critical period of business transformation and internationalisation. We will firmly seize structural opportunities in new energy, increase our investment in research and development of green and low-carbon technologies, and further develop our four core products, namely green hydrogen, green ammonia, green methanol and sustainable aviation fuel. In order to create a

differentiated competitive edge and explore new markets and sectors, the Company will continuously enhance its integrated capabilities in modularisation, standardisation, productisation, and intelligence to achieve a comprehensive transformation towards internationalisation and the new energy sector. The Company’s customer base in key overseas markets, its technical reserves in new energy and low-carbon engineering, and its accumulated expertise in modularisation and project management have laid a solid foundation for future growth.

The Company has always stuck to its vision of becoming a “globally distinguished environmental friendly service provider” and has steadfastly adhered to its new energy strategy. It continues to play a vital role in the global green energy transition, striving to become a key driving force in the energy transition both domestically and internationally. By deepening global strategic partnerships, the Company is committed to further expanding its footprints in the global new energy market and becoming a globally distinguished environmental friendly service provider that leads industry development.



# Management Discussion and Analysis



# Management Discussion and Analysis

## FINANCIAL REVIEW FOR 2025

### Revenue and Gross Profit

The comprehensive revenue of the Group increased by 34.7% from RMB5,647.3 million for the year ended 31 December 2024 to RMB7,604.6 million for the Year.

The gross profit of the Group amounted to RMB607.2 million for the Year, as compared to RMB445.2 million for the year ended 31 December 2024, representing an increase of 36.4%.

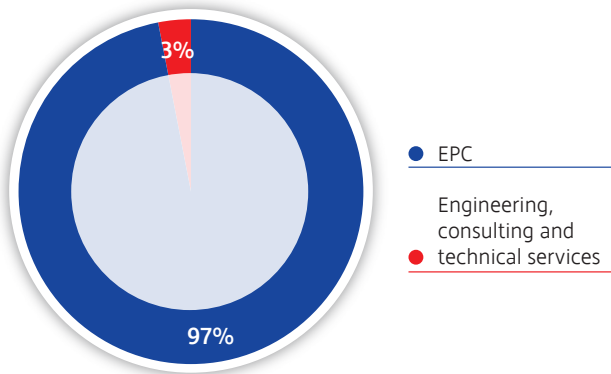
The gross profit margins of the Group for the year ended 31 December 2025 and 2024 were 8.0% and 7.9%, respectively.

Details of comprehensive revenue and gross profit breakdown by business segments are set out below:

	Revenue		Gross profit		Gross profit margin	
	2025 (RMB'million)	2024 (RMB'million)	2025 (RMB'million)	2024 (RMB'million)	2025 (%)	2024 (%)
EPC	<b>7,381.4</b>	5,333.7	<b>529.5</b>	380.0	<b>7.2%</b>	7.1%
Engineering, consulting and technical services	<b>223.2</b>	313.6	<b>77.7</b>	65.2	<b>34.8%</b>	20.8%
	<b>7,604.6</b>	5,647.3	<b>607.2</b>	445.2	<b>8.0%</b>	7.9%

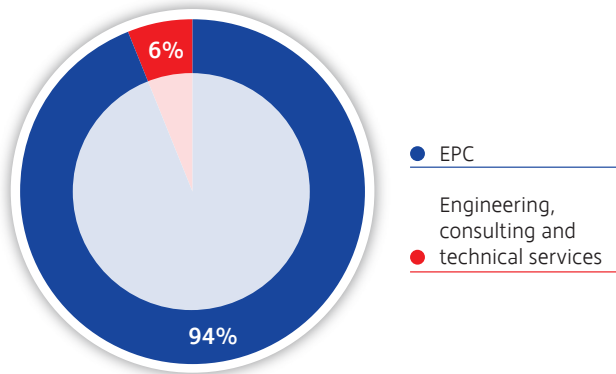
## Management Discussion and Analysis

### 2025



The revenue of EPC of the Group increased by 38.4% from RMB5,333.7 million for the year ended 31 December 2024 to RMB7,381.4 million for the Year. The increase in EPC segment revenue was primarily attributable to the fact that during the Year, the Group’s major overseas EPC projects were in the principal construction phase and equipment delivery phase. Meanwhile, the EPC project in the Middle East acquired during the Year has also been commenced during the second half of the Year. The EPC segment recorded a gross profit margin of 7.2%, which is comparable to the corresponding period of last year.

### 2024

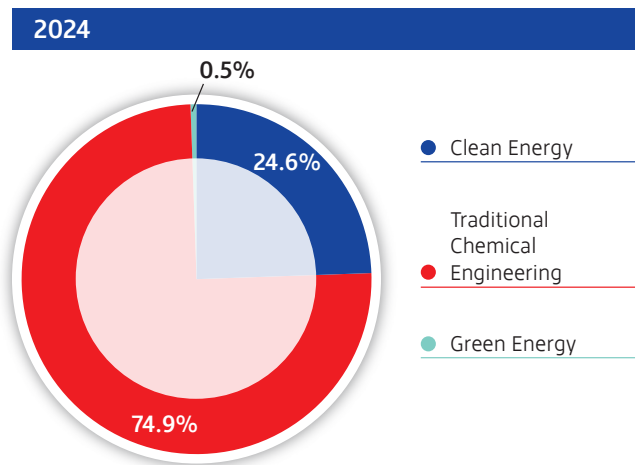
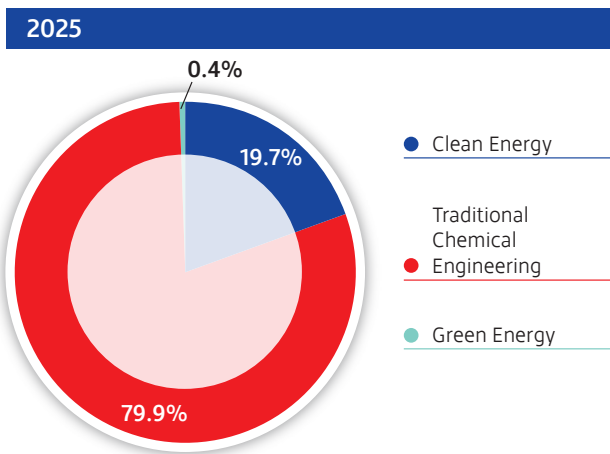


The revenue of engineering, consulting and technical services of the Group decreased by 28.8% from RMB313.6 million for the year ended 31 December 2024 to RMB223.2 million for the Year. The revenue of engineering, consulting and technical services segment decreased year-on-year, primarily attributable to the fact that the Group’s large-scale engineering projects have been approaching the final stage. The segment’s gross profit margin increased to 34.8% during the Year, compared to 20.8% in the corresponding period of last year. During last year, the forecasted engineering cost for certain projects increased, which result in a decline in gross profit margin in last year.

# Management Discussion and Analysis

Details of comprehensive revenue breakdown by industries in which our clients operate are set out below:

	Year ended 31 December			
	2025	Percentage of	2024	Percentage of
	Revenue	total revenue	Revenue	total revenue
	(RMB'million)	(%)	(RMB'million)	(%)
Clean Energy	1,498.5	19.7%	1,390.0	24.6%
Traditional Chemical Engineering	6,073.4	79.9%	4,230.7	74.9%
Green Energy	32.7	0.4%	26.6	0.5%
	<b>7,604.6</b>	<b>100.0%</b>	5,647.3	100.0%



During the Year, the Group revised its customer industry classification criteria. The new basis enhances the visibility of the Group’s strategic development achievements.

Clean Energy refers to the industry that is based on energy sources which emit no or only a limited amount of pollutants during usage and comply with specific environmental protection emission standards.

Traditional Chemical Engineering refers to the industry that is mainly based on fossil fuels such as coal and oil.

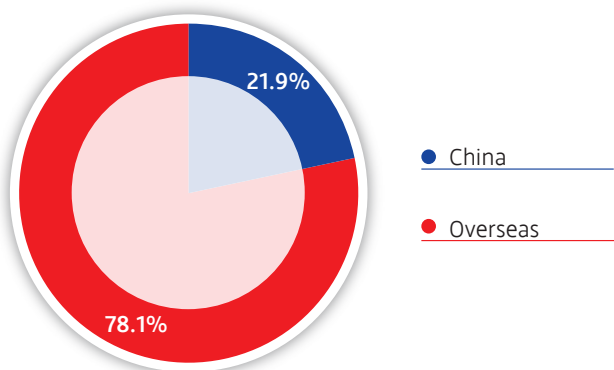
Green Energy refers to the industry that is based on renewable energy.

## Management Discussion and Analysis

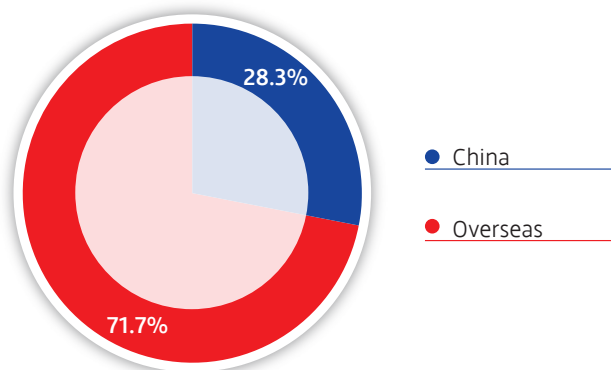
Details of comprehensive revenue breakdown by geographic locations of our projects are set out below:

	Year ended 31 December			
	2025		2024	
	Revenue (RMB'million)	Percentage of total revenue (%)	Revenue (RMB'million)	Percentage of total revenue (%)
Chinese mainland	1,667.7	21.9%	1,598.4	28.3%
Middle East	2,215.3	29.1%	2,364.9	41.9%
Eurasia	3,695.9	48.6%	1,624.7	28.8%
Others	25.7	0.4%	59.3	1.0%
<b>Total</b>	<b>7,604.6</b>	<b>100.0%</b>	<b>5,647.3</b>	<b>100.0%</b>

2025 % of total revenue by geographic locations



2024 % of total revenue by geographic locations



## Management Discussion and Analysis

The revenue from overseas projects of the Group accounted for approximately 78.1% and 71.7% of the total revenue for the Year and for the year ended 31 December 2024, respectively. Compared with last year, percentage weighting of revenue from overseas projects for the Year shows a further increase.

### Other Income and Gains

Other income and gains decreased by 10.3% from RMB205.5 million for the year ended 31 December 2024 to RMB184.4 million for the Year. For details, please refer to note 4 to the consolidated financial statements of the Group.

### Other Expenses

Details of other expenses breakdown are set out below:

	2025 RMB'million	2024 RMB'million
Research and development costs	231.4	188.0
Expenses in relation to operating lease income	7.3	6.7
Consultancy expenses	2.7	–
Provision for damages and related interest to customers and suppliers	–5.8	–2.3
Bad debt reversal	–1.1	–0.4
Fair value losses on investment property	19.6	–
Others	–	0.1
<b>Total</b>	<b>254.1</b>	192.1

Other expenses increased by 32.3% from RMB192.1 million for the year ended 31 December 2024 to RMB254.1 million for the Year.

### Selling and Distribution Expenses

Selling and distribution expenses decreased by 15.2% from RMB38.7 million for the year ended 31 December 2024 to RMB32.8 million for the Year. The decrease in selling and distribution expenses was primarily attributable to higher marketing-related consulting fees incurred in last year.

### Administrative Expenses

Administrative expenses decreased by 10.7% from RMB223.0 million for the year ended 31 December 2024 to RMB199.1 million for the Year, which is mainly due to the decrease in stamp duty, as well as property tax and management expenses of the Group's investment property located in Shanghai.

## Management Discussion and Analysis

### Finance Costs

Finance costs decreased by 37.6% from RMB81.6 million for the year ended 31 December 2024 to RMB50.9 million for the Year. For details, please refer to note 5 to the consolidated financial statements of the Group.

### Income Tax

The Group's income tax expense for the Year amounted to RMB36.3 million, while the Group's income tax expense amounted to RMB11.3 million for the last year. This was mainly due to the increase in assessable profits of overseas branch offices during the Year.

### Profit for the Year

Apart from the changes in gross profits as well as expenses mentioned above, the Group's impairment losses on financial and contract assets increased during the Year due to the fact that certain customers failing to complete the payment processes in a timely manner before the year-end. Due to the above reasons, the Group's profit for the Year was comparable to that for the last year. The Group's profit and net profit rate for the Year was

approximately RMB145.4 million and 1.9%, respectively, while the Group's profit and net profit rate for the last year was RMB134.7 million and 2.4%, respectively.

### Trade and Bills Receivables

The Group's trading terms with its customers are mainly on credit where payment in advance is normally required. Trade receivables are non-interest-bearing and on credit terms of a period of 30 days to 90 days or the respective contracts' retention period. The Group's total trade and bills receivables amounted to RMB876.0 million as at 31 December 2025, representing an increase of approximately 60.2% as compared with RMB546.7 million as at the year ended 31 December 2024.

### Financial Resources, Liquidity and Capital Structure

As at 31 December 2025, the Group's unpledged cash and bank balances as well as time deposits amounted to RMB2,256.9 million, representing approximately 38.1% of the Group's current assets (31 December 2024: RMB3,802.5 million, representing approximately 46.0% of the Group's current assets).

The major items of Consolidated Statement of Cash Flows of the Group are set out below:

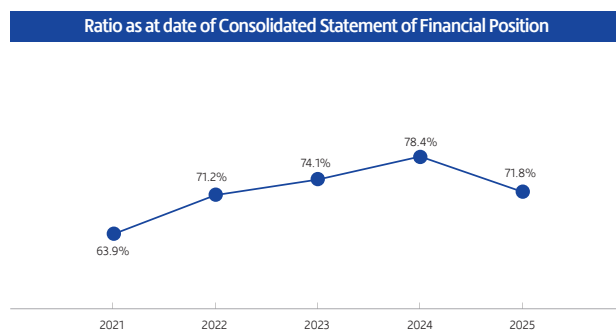
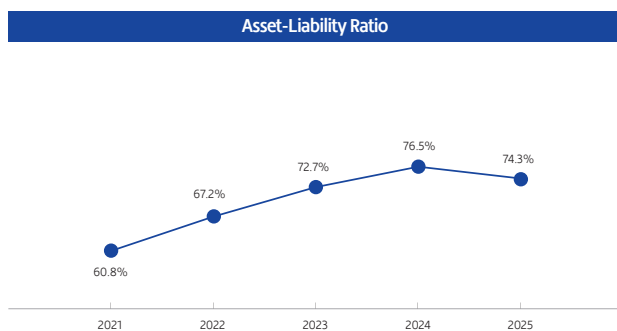
	For the year ended	
	2025	2024
	RMB'million	RMB'million
Net cash flows (used in)/from operating activities	-1,252.3	3,084.9
Net cash flows from/(used in) investing activities	364.7	-703.7
Net cash flows used in financing activities	-190.7	-51.5

## Management Discussion and Analysis

As at 31 December 2025 and 2024, the Group’s pledged and unpledged cash and bank balances included the following amounts:

	As at 31 December	
	2025	2024
	RMB'million	RMB'million
Hong Kong Dollar	12.3	2.6
United States Dollar (“US Dollar”)	426.4	779.4
Renminbi	2,610.0	2,953.6
Saudi Riyal	69.3	208.6
Euro	3.8	295.6
Qatar Riyal	1.8	226.4
Others	14.0	17.9

The asset-liability ratio of the Group is set out below.



Average ratio was derived by dividing average total liabilities by average total assets.

Ratio as at date of Consolidated Statement of Financial Position was derived by dividing total liabilities by total assets, both as at date of Consolidated Statement of Financial Position.

## Management Discussion and Analysis

Interest-bearing bank borrowings of the Group as at 31 December 2025 and 31 December 2024 were set out in the table below. The short-term bank borrowings of the Group accounted for 34.8% of the total bank borrowings as at 31 December 2025 (31 December 2024: 54.2%).

	As at 31 December	
	2025	2024
	RMB'million	RMB'million
Current		
Bank loans repayable within one year		
— secured	<b>189.7</b>	360.5
— unsecured	<b>100.0</b>	175.1
Current portion of long-term bank loans		
— secured	<b>15.9</b>	59.4
— unsecured	<b>1.0</b>	—
	<b>306.6</b>	595.0
Non-Current		
Bank loans repayable after one year		
— secured	<b>516.0</b>	502.5
— unsecured	<b>59.0</b>	—
	<b>575.0</b>	502.5

Bank borrowings were denominated in Renminbi at 31 December 2025 and 2024. As at 31 December 2025, bank borrowings amounting to RMB 289.7 million (31 December 2024: RMB475.7 million) bore interest at fixed rates.

The effective interest rates of the Group's bank and other borrowings ranged as follows:

Year ended 31 December 2025	2.20% to 3.40%
Year ended 31 December 2024	3.45% to 4.82%

## Management Discussion and Analysis

The maturity profile of interest-bearing bank borrowings as at 31 December 2025 and 31 December 2024, based on contractual undiscounted payments, is as follows:

	On demand	Less than 3 months	3 to 12 months	Over 1 year	Total
	RMB'million				
<b>31 December 2025</b>					
Interest-bearing bank and other borrowings	–	132.8	191.4	683.6	1,007.8
<b>31 December 2024</b>					
Interest-bearing bank and other borrowings	–	85.0	532.7	615.3	1,233.0

The Group meets its working capital and other capital requirements principally with cash generated from its operations and borrowings.

### Material Acquisitions and Disposals

On 11 September 2024, Wison Engineering Ltd. (an indirect wholly-owned subsidiary of the Company) (the “**Purchaser**”) and Wison (China) Holding Company (an indirect wholly-owned subsidiary of Wison Group Holding Limited, which is a controlling shareholder of the Company) (the “**Vendor**”) entered into an equity transfer agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 35% equity interests in Levima Wison (Jiangsu) Advanced Materials Co. Ltd. at the consideration of RMB255,000,000 in cash.

The acquisition was approved by the shareholders of the Company at an extraordinary general meeting of the Company held on 12 November 2024.

The acquisition had completed by 30 September 2025. Further information can be found in the Company’s announcement and circular dated 11 September 2024 and 18 October 2024, respectively.

Save as disclosed above, during the Year, the Group did not involve in any material acquisitions and disposals.

## Management Discussion and Analysis

### Capital Expenditure

The capital expenditure of the Group amounted to RMB9.7 million for the Year (2024: RMB22.7 million).

### Foreign Exchange Risk Control

The business transactions of the Group are mainly settled in Renminbi and US Dollars. The Group is exposed to currency risks in relation to the bank balances denominated in currency other than the functional currencies of the relevant entities. The Group has formulated and strictly adheres to a currency hedging policy against the foreign currency risk.

### Contingent Liabilities

During years 2020 to 2025, certain subcontractors of the Group filed claims with the People's Courts in Chinese mainland against the Group for payments of outstanding construction costs, as well as interest and liquidation damages, with an aggregate disputed amount of approximately RMB216,351,000.

The directors of the Company (the "**Directors**") are of the opinion that for the lawsuits with disputed amount of RMB179,140,000, an appropriate provision has been made against the existing accounts payable. For the remaining disputed amount of RMB37,211,000, which is without merit, the possibility of the Group being subject to additional payment claims is expected to be remote based on the available evidence and legal advice obtained. Therefore, the Directors are of the opinion that no additional provision is required.

### Pledge of Assets

As at 31 December 2025, certain property of RMB3,464.6 million, future years right of receiving rental income from the property and sale proceeds from a customer of the Group in future years were pledged as securities for bank facilities of the Group.

### Human Resources

As at 31 December 2025, the Group had 1,523 employees (31 December 2024: 1,867 employees). The Group reviews the salaries and benefits of the employees according to market practice and the performance of the employees on a regular basis. Also, the Group contributes to various social insurance schemes in the People's Republic of China (the "**PRC**") and the Mandatory Provident Fund Scheme in Hong Kong for qualified employees and provides medical insurance, work injury insurance, maternity insurance and unemployment insurance pursuant to applicable laws and regulations in the PRC and Hong Kong, as well as additional business accident and medical insurance. During the Year, the total staff cost of the Group (including salaries, bonuses, insurance and share option schemes) amounted to RMB1,022.6 million (during the year ended 31 December 2024: RMB958.9 million).

## Management Discussion and Analysis

The Group adopted the 2022 Share Option Scheme on 20 December 2022 as encouragement and reward for the contributions of employees to the Company. On 2 April 2025, the Company granted a total of 67,760,000 share options to certain eligible persons pursuant to the 2022 Share Option Scheme. Further information can be found in the Company's announcement dated 2 April 2025.

The Company also adopted a share award scheme (the "**Share Award Scheme**") on 15 November 2024 in order to recognize and acknowledge the contributions to the Group by the selected grantees and in driving the continuous business operation and development of the Group. On 2 April 2025, 29,040,000 shares were awarded under the Share Award Scheme. The Share Award Scheme does not involve any issue of new shares. For details regarding the share schemes adopted by the Company, please refer to the section headed "Share Award Schemes" in the Company's annual report for the Year to be dispatched and published.



**▶▶ Directors and Senior Management**



# Directors and Senior Management

## EXECUTIVE DIRECTORS

**Mr. Zhou Hongliang (周宏亮)**, aged 56, is an executive Director of our Company and Chief Executive Officer of our Group. He has been an executive Director since 10 September 2013 and was appointed as the Chief Executive Officer on 31 December 2022. He is primarily responsible for the overall management, decision-making and strategy planning of our Group. He graduated from Liaoning Shihua University (遼寧石油化工大學), formerly known as the Fushun Petroleum Institute (撫順石油學院) in 1991. He received his master's degree in business administration from China Europe International Business School (中歐國際工商學院) in 2014. He obtained the qualification of constructor from the Ministry of Construction of the People's Republic of China (中華人民共和國建設部) in 2006. He was responsible for project management in Sinopec Ningbo Engineering Co., Ltd. from 1991 to 2002. From 2002 to 2004, Mr. Zhou worked as a deputy manager in the Ethylene Project Team in Shanghai SECCO Petrochemical Company Limited (上海賽科石油化工有限責任公司). Mr. Zhou joined our Group in January 2005 as a manager of the construction management department of Wison Engineering and was appointed as the deputy general manager of Wison Engineering in January 2008. He has over 30 years of experience in the petrochemicals industry.

**Mr. Zheng Shifeng (鄭世鋒)**, aged 58, is a senior vice president of our Group and was appointed as an executive Director of our Company on 1 September 2020. He is responsible for the execution of domestic and overseas projects. Mr. Zheng graduated from Hefei University of Technology (合肥工業大學) with a major in welding technology and equipment in 1990 and obtained a bachelor's degree in engineering. He has been engaging in the project management in the petrochemicals and coal-to-chemicals industries and gained extensive experience. He holds the title of senior engineer and the qualification of registered qualification certificate professional constructor of electrical and mechanical engineering in the PRC (國家註冊機電工程專業一級建造師). He also holds an EMBA degree from China Europe International Business School (中歐國際工商學院). From 1996 to 2004, he worked as a project manager in the engineering department of Sinopec Qilu Petrochemical Corporation. Mr. Zheng joined our Group in 2004 and has successively served as the deputy manager and the general manager of the Project Management Department as well as the vice president of our Group and was once in charge of the execution of Group's domestic and overseas projects and international business in the Middle East and partial region of Africa. Mr. Zheng is a member of council of Shanghai Association of International Services Trade. Mr. Zheng has over 30 years of experience in the petrochemicals industry.

## Directors and Senior Management

**Mr. Li Dun (李盾)**, aged 54, is the chief financial officer of the Group and was appointed as an executive Director of our Company on 28 August 2024. Mr. Li is mainly responsible for overseeing the finance and treasury function of the Group. He has extensive experience in the fields of financial controlling, corporate finance and investment.

Prior to joining the Group as the chief financial officer in April 2024, Mr. Li served as the chief financial officer of Wison Group Holding Limited from December 2020 to April 2024. Before that, he served as the chief financial officer of Tiandihuayu Logistics Co. Limited\*, the Greater China region financial director of Bobst Group SA and the chief financial officer of the logistics business unit of Sinochem International Corporation.

Mr. Li obtained a bachelor's degree in applied accounting from Oxford Brookes University and a master's degree in business administration from the University of Texas. He is also a fellow member of the Association of Chartered Certified Accountants.

\* For identification purposes only

### NON-EXECUTIVE DIRECTOR

**Mr. Liu Hongjun (劉洪鈞)**, aged 53, joined our Company as a non-executive Director on 19 February 2020 and appointed as Chairman on 5 February 2021. He obtained a bachelor degree in chemical engineering and processes and a master degree in chemical engineering from Tsinghua University in the PRC in 1996 and 1999, respectively, and an Executive Master of Business Administration (EMBA) degree from China Europe International Business School in the PRC in 2010.

Mr. Liu has over 20 years of work experience in chemical engineering industry. From July 1999 to January 2005, he worked at Shanghai Wison Chemical Engineering Co., Ltd. (上海惠生化工工程有限公司) (currently known as Wison Engineering Ltd. (惠生工程(中國)有限公司)) and held various positions, including engineer, deputy manager, manager of project department (division 1) and manager of Nanjing project department. During the period between February 2005 and October 2015, Mr. Liu served at Wison (Nanjing) Chemical Co., Ltd. (惠生(南京)化工有限公司) (currently known as Nanjing Chengzhi Clean Energy Co., Ltd (南京誠志清潔能源有限公司)) and held a number of positions, such as manager of project management department, deputy general manager, general manager, president and chairman of the board of directors. From November 2015 to November 2019, Mr. Liu served as a vice president of Wison Group Holding Limited. Since November 2015, he has been a director and president of Wison (China) Holding Company. Since November 2017, Mr. Liu has been a director of Wison Group Holding Limited. Since December 2019, he has been the president of Wison Group Holding Limited. Since January 2020, Mr. Liu has been the chairman of the board of directors of Wison (China) Holding Company. Wison Group Holding Limited is the controlling shareholder of the Company and Wison (China) Holding Company is one of its key operating subsidiaries. Currently, Mr. Liu also serves as a director at certain other subsidiaries of Wison Group Holding Limited.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lawrence Lee (李磊)**, aged 61, joined our Company as an independent non-executive Director on 30 March 2015. Mr. Lee has been appointed as an executive director of Greenworks (Jiangsu) Co., Ltd. (a company listed on the ChiNext board of the Shenzhen Stock Exchange, stock code: 301260.SZ) since April 2020. During his career in the past 30 years, Mr. Lee also held several senior finance

## Directors and Senior Management

positions, serving as an independent director of Guangdong New Jingang Technology Limited (a China GEM Board Company) since August 2017 to January 2019; as the Chief Financial Officer at Synutra International, Inc. (a company listed on NASDAQ) from October 2007 to October 2009; as a vice president and the Chief Financial Officer of Kasen International Holdings Limited (卡森國際控股有限公司) (a company listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) from August 2004 to September 2007; as the Chief Financial Officer of Eagle Brand Holdings Limited (a company listed on the Singapore Stock Exchange), from July 2001 to April 2004; and as a financial controller at the Korean division of Exel Plc of the United Kingdom from January 1999 to July 2001. Mr. Lee received a bachelor’s degree in management and engineering from the Beijing Institute of Technology in 1984. Mr. Lee also obtained a master’s degree in economics from the Renmin University of China in 1987 and a master’s degree in accounting and finance from the London School of Economics and Political Science in 1992. He is also a fellow member of the Association of Chartered Certified Accountants.

**Mr. Feng Guohua (馮國華)**, aged 57, joined our Company as an independent non-executive Director on 28 December 2015. Mr. Feng has over 27 years of experience in information technology and management of consultancy services. Mr. Feng has extensive international exposure and experience in providing consulting services to multinational companies, state-owned enterprises and private enterprises.

Mr. Feng is currently served as an independent director of Shanghai Jahwa United Co., Ltd. (Stock code: 600315.SH), (which is listed on Shanghai Stock Exchange).

Prior to that, Mr. Feng had served as an executive director and the Chief Executive Officer of Man Wah Holdings Limited (Stock code: 01999.HK) from November 2020 to March 2022, the general manager of the Greater China Corporate Services Department of Microsoft (China) (“**Microsoft**”) from April 2016 to September 2020. Before he joined Microsoft, he had also been a Vice President and the managing partner at IBM Global Business Consulting Services Department.

Mr. Feng graduated from the University of Science and Technology of China in 1990 with a Bachelor’s degree which majors in economic management and minors in computer application software. Mr. Feng also completed the Advanced Management program of Harvard Business School in 2009.

**Ms. Guo Ruqian (郭汝倩)**, aged 52, joined the Company as an independent non-executive Director on 15 November 2024. Ms. Guo has over 30 years of experience in international shipping and international integrated logistics sector. Ms. Guo started her career in Shandong International Transportation Corporation (山東省國際貨運代理有限公司) from 1994 to 2003 as the business department supervisor and the operation department manager. From 2005 to 2007, she served as the deputy general manager of SITC Logistics Co., Ltd. (新海豐物流有限公司), a wholly-owned subsidiary of SITC International Holdings Company Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1308)). She was subsequently promoted to the general manager in 2008 and she is currently the vice president of SITC Logistics Co., Ltd.

## Directors and Senior Management

Ms. Guo obtained a bachelor's degree in art from Shandong University (山東大學), China, in 2001 and a master's degree in science from Cardiff University, England, in 2005. She also holds an executive master of business administration (EMBA) degree from China Europe International Business School (中歐國際工商學院).

**Prof. Shi Donghui (施東輝)**, aged 54, is a professor at the School of International Finance since 2000 and is currently the vice dean of the China Institute of Finance Law and Governance at Fudan University. His main research areas are behavioral finance, corporate governance and financial market development policy. He received his Doctor of Philosophy (Ph.D.) degree in management from Antai College of Economics and Management, Shanghai Jiao Tong University in 2004.

From 1997 to 2020, Prof. Shi worked at the Shanghai Stock Exchange, where he successively served as the director of the fund market department and director of the capital market research institute. Prof. Shi participated in the institutional design and implementation of many major market reform initiatives and innovative products, including ETFs, ETF options, Shanghai-Hong Kong Stock Connect, Shanghai-London Stock Connect, Science and Technology Innovation Board, and the registration system. Prof. Shi has extensive experience in capital market research.

Prof. Shi served as an independent director of CSSC Science and Technology Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600072.SH) from October 2010 to December 2025. Prior to that, Prof. Shi also served as an independent director of Meinian Onehealth Healthcare Holdings Co. Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002044.SZ) from October 2021 to December 2024.

**Prof. Dong Jing (董靜)**, aged 50, is a Chinese Certified Public Accountant. She is the dean of the School of International Cultural Exchange, as well as a professor of the School of Business and doctoral supervisor, of Shanghai University of Finance and Economics.

Prof. Dong was appointed as an independent director in various companies whose shares are listed on the Shenzhen Stock Exchange and the Shanghai Stock Exchange during the period from March 2014 to October 2025, namely, Shanghai Amarsoft Information & Technology Co., Ltd. (stock code: 300380.SZ), Hangzhou Robam Appliances Co., Ltd. (stock code: 002508.SZ), Shanghai Tunnel Engineering Co., Ltd. (stock code: 600820.SH), Juneyao Airlines Co., Ltd. (stock code: 603885.SH) and YTO Express Group Co., Ltd. (stock code: 600233.SH). Prof. Dong currently acts as an independent director of Hangzhou Nbond Nonwovens Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 603238.SH).

## Directors and Senior Management

### SENIOR MANAGEMENT

**Dr. Liu Hengwei (劉恒偉)**, aged 49, is the chief technology officer of the Company since July 2024. Dr. Liu brings over two decades of extensive experience in the energy industry. His career spans the oil and gas, power, and utilities sectors, and he has held international positions at leading universities, top-tier think tanks, and multinational corporations across China, Europe, Saudi Arabia, and the United States. A strong advocate for sustainable development, Dr. Liu is frequently invited to speak at global forums on topics including zero-carbon energy transition and ESG investment.

Dr. Liu holds a Ph.D. in Thermal Engineering. He has served as a research fellow at Harvard Kennedy School, Tsinghua University, The Fletcher School at Tufts University, and the King Abdullah Petroleum Studies and Research Center (KAPSARC). He also holds an EMBA degree from the Kellogg-HKUST Executive MBA Program.

**Mr. Li Yongbin (李勇斌)**, aged 53, is the chief engineer of our Group. He is mainly responsible for formulating the company's technical development plans, reviewing design proposals for major engineering projects, driving breakthroughs in core technologies and industrial upgrades, as well as building and guiding the company's technical team. Mr. Li graduated from Taiyuan University of Technology with a Master's degree in Applied Chemistry. He also completed the AMP General Manager Program at China Europe International Business School in 2024.

Mr. Li joined the Company in 2011, serving successively in the Engineering Design Center, Product Technology Center, and Technical Department. He was appointed as Deputy Chief Engineer at the corporate level in 2021. During his tenure, Mr. Li has received multiple awards including the Survey and Design Innovation Award, Outstanding Engineering Consulting Achievement Award, and Outstanding Engineering Design Award.



# Report of the Directors



# Report of the Directors

The board of directors of the Company (the “**Board**”) is pleased to present this annual report together with the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activity of the Group is the provision of chemical engineering, procurement and construction management, or EPC, services. The Group provides a broad range of integrated services spanning the project lifecycle from feasibility studies, consulting services, provision of proprietary technologies, design, engineering, raw materials and equipment procurement and construction management to maintenance and after-sale technical support.

There were no significant changes to the Group’s principal activities during the Year.

## BUSINESS REVIEW

### Overview and Performance of the Year

A fair review of the business of the Group, a discussion and analysis using financial key performance indicators and an account of the Group’s relationships with its key stakeholders that

have a significant impact on the Group are set out in the Business Overview and Management Discussion and Analysis sections of this report. An indication of likely future development in the Group’s business is set out in the Business Overview section of this report. Particulars of important events affecting the Group that have occurred since the end of the financial year are set out in the Business Overview section, the sub-section headed “Subsequent Events” below and the Notes to the financial statements.

The Group’s business, financial condition or results of operation may be affected by a number of risks and uncertainties. Description of the principal risks and uncertainties facing the Group can be found in the Business Overview section and Note 37 to the financial statements.

### Environmental Policies and Performance

The Group has established and implemented environmental management systems in accordance with the GB/T 24001-2004/ISO 14001:2004 standards, and obtained the Environmental Management System Certificate after qualifying under the review by a third-party certification body. The Group strictly adheres to laws and regulations related to environmental protection, actively pursues the development strategies of “Green Engineering”, and through implementing controls at different stages of the engineering design and construction

## Report of the Directors

process, achieves the goals of energy saving, emission reduction and environmental protection. In the feasibility studies, basic (preliminary) design and overall design phases of engineering construction projects, the Group has compiled specifications on environmental protection and energy saving in accordance with relevant environmental protection and energy saving design specifications and requirements, and determined the investments required for the prevention of and remedy for pollution, and energy saving measures. In the construction phase of engineering projects, the Group effects soil protection through the adoption of anti-leakage measures; the Group enables full utilization of reusable resources through the sorting, collection and treatment of waste; and the Group reduces wastage of materials through the use of advanced material management systems to optimize construction plans and enable precise calculations.

### Compliance with Relevant Laws and Regulations

With respect to the compliance with laws and regulations, the Group proactively keeps itself abreast of regulatory updates. Apart from the above, details of the Group's compliance with relevant laws and regulations which have a significant impact on the Group are also provided in the Business Overview, Management Discussion and Analysis and Corporate Governance Report sections of this report. These review and discussion form part of this report of the Directors.

Further details of the Group's environmental, social and governance ("ESG") matters will be set out in the ESG Report to be published by the Company separately in due course and will be made available on the website of the Company and that of the Stock Exchange.

### SUBSEQUENT EVENTS

No significant event of the Group has taken place since the end of the Year and up to the date of this report.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the aggregate purchases of raw materials attributable to the Group's five largest suppliers accounted for approximately 14.5% of the Group's total purchases. Our purchases attributable to the single largest supplier accounted for approximately 3.2% of the Group's total purchases for the same period.

For the year ended 31 December 2025, our five largest clients, in aggregate, accounted for approximately 84.3% of our total revenue. Our revenue derived from the single largest client for the same period amounted to approximately 32.9% of our total revenue.

None of our Directors, any of their close associates or any shareholders that, to the knowledge of our Directors, own more than 5% of the issued share capital of our Company had any interest in any of our five largest suppliers or clients during the year ended 31 December 2025.

## Report of the Directors

### SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's subsidiaries and the Group's associates as at 31 December 2025 are set out in Notes 1 and 18 to the financial statements, respectively.

### FINANCIAL STATEMENTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 87 to 88 of this report.

### FINAL DIVIDEND

The Board has resolved not to declare a dividend for the year ended 31 December 2025 (2024: nil).

### DONATIONS

No donations were made by the Group during the year ended 31 December 2025 (2024: nil).

### PROPERTY, PLANT AND EQUIPMENT

Changes to the property, plant and equipment of the Group during the year are set out in Note 13 to the financial statements.

### SHARE CAPITAL AND SHARE-BASED PAYMENTS

Details of the Company's share capital and share-based payments are set out in Notes 30 and 31 to the financial statements and the sub-sections headed "Share Option Scheme" and "Share Award Scheme" below.

### RESERVES

Changes to the reserves of the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity. Changes to the reserves of the Company during the year ended 31 December 2025 are set out in Note 30 to the financial statements.

### DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's distributable reserves calculated under the Companies Law of the Cayman Islands comprise the share premium and retained earnings totaling approximately RMB1,254,150,000.

### DIRECTORS

The Directors during the year and as at the date of this report are:

#### Executive Directors

Mr. Zhou Hongliang  
(Chairman & Chief Executive Officer)  
Mr. Zheng Shifeng  
Mr. Li Dun (Chief Financial Officer)

#### Non-executive Director

Mr. Liu Hongjun

#### Independent Non-executive Directors

Mr. Lawrence Lee  
Mr. Tang Shisheng<sup>(1)</sup>  
Mr. Feng Guohua  
Ms. Guo Ruqian  
Prof. Shi Donghui<sup>(2)</sup>  
Prof. Dong Jing<sup>(2)</sup>

Notes:

<sup>(1)</sup> Mr. Tang Shisheng retired as an independent non-executive director of the Company with effect from 6 June 2025.

<sup>(2)</sup> Prof. Shi Donghui and Prof. Dong Jing have been appointed as independent non-executive directors of the Company with effect from 21 August 2025.

## Report of the Directors

### BIOGRAPHIES OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company are set out in the section headed “Directors and Senior Management” on pages 33 to 37 of this report.

### SERVICE CONTRACTS OF THE DIRECTORS

Each of the executive Directors has entered into a three-year service contract with the Company, which is effective from their respective appointment dates and is subject to termination before expiry by either party giving not less than six months’ notice in writing to the other. Each of the non-executive Director and independent non-executive Directors has entered into a letter of appointment with the Company which commenced from their respective appointment dates for a term of three years and shall be terminable by either party giving not less than three months’ notice in writing to the other.

All Directors are subject to retirement by rotation and re-election at annual general meeting of the Company (the “**AGM**”) at least once every three years, and will continue thereafter until terminated in accordance with the terms of the service contract or letter of appointment (as the case may be).

In accordance with Article 104 of the Company’s articles of association (the “**Articles of Association**”), Mr. Zhou Hongliang, Mr. Lawrence Lee and Mr. Feng Guohua will retire by rotation at the forthcoming AGM and, being eligible, Mr. Zhou Hongliang will offer himself for re-election. Each of Mr. Lawrence Lee and Mr. Feng Guohua has served as an independent non-executive Director for more than nine years, and has informed the Company that he would not seek re-election after retiring from the Board at the forthcoming AGM.

Consequently, each of Mr. Lawrence Lee and Mr. Feng Guohua will cease to be an independent non-executive Director at the conclusion of the AGM. Upon their retirement, they will also step down from their roles as chairman and member of the relevant board committees of the Company.

In accordance with Article 108 of the Company’s Articles of Association, Prof. Shi Donghui and Prof. Dong Jing will retire at the forthcoming AGM and, being eligible, offer themselves for re-election.

None of Mr. Zhou Hongliang, Mr. Lawrence Lee, Mr. Feng Guohua, Pro. Shi Dong Hui and Prof. Dong Jing has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than under normal statutory obligations.

### REMUNERATION POLICY

The Company has established a formal and transparent policy to determine remuneration package of individual Directors and employees. The Board believes that the ability to attract, motivate and retain skilled and experienced personnel is of significant importance to the long-term successful development of the Group.

With the shareholders’ approval at general meeting, the Board is authorised to fix the Directors’ remuneration including directors’ fee. Other emoluments are determined by the Board with reference to directors’ duties, responsibilities and performance and the results of the Group. In particular, the Remuneration Committee is mandated to, among others, (i) assess, review and make recommendations to the Board in respect of the remuneration packages and overall benefits for

## Report of the Directors

the Directors and the senior management of the Company, (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, (iii) determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management, make recommendations to the Board on the remuneration packages of individual executive Directors and senior management (including benefits in kind, pension rights and compensation payments), (iv) make recommendations to the Board on the remuneration of non-executive Directors and (v) cater for the Company to be in a position to offer and maintain competitive and attractive overall benefits to recruit and maintain high quality personnel at the Board level.

Details of the Directors' remuneration and the five highest paid individuals in the Group are set out in Note 9 to the financial statements in this report.

A review of the employees' remuneration and remuneration policy of the Group during the Year is set out in the section headed "Management Discussion and Analysis" of this report and the sub-section headed "Emolument Policy" below.

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Company considers that all of the independent non-executive Directors are independent in accordance with the guidelines set out in the Listing Rules.

### RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES

Save as disclosed under the sub-sections headed "Share Option Scheme" and "Share Award Scheme" below, at no time during the Year or at the end of the Year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the Securities and Futures Ordinance (the "**SFO**") or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed under the sub-section headed "Connected Transactions" below, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party and in which a director of the Company and/or any of his/her connected entity had a material interest, whether directly or indirectly, and no contract of significance between the Company or any of its subsidiaries and the Company's controlling shareholder or any of its subsidiaries, subsisted at the end of the Year or at anytime during the Year.

# Report of the Directors

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this report, none of the directors of the Company and directors of the Company's subsidiaries, or their respective associates, had interests in businesses, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

### Long position in the ordinary shares (the "Shares")/underlying shares of the Company

Name of Director	Company/Name of Group Company	Capacity/ Nature of interest	Number of shares/ underlying shares <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
Zhou Hongliang	Company	Beneficial owner	10,410,000 (L)	0.26%
Zheng Shifeng	Company	Beneficial owner	6,150,000 (L)	0.15%
Li Dun	Company	Beneficial owner	3,000,000 (L)	0.07%
Liu Hongjun	Company	Beneficial owner	4,598,000 (L)	0.11%

Notes:

(1) The letter "L" denotes the person's long position in such Shares.

(2) As at 31 December 2025, the Company had 4,073,767,800 ordinary shares in issue.

## Report of the Directors

Save as disclosed above, as at 31 December 2025, none of the Directors nor the chief executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning 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 notified to the Company and the Stock Exchange pursuant to the Model Code.

### SHARE OPTION SCHEME

On 20 December 2022, the Share Option Scheme was approved and adopted by the shareholders of the Company. The Share Option Scheme shall be valid and effective for a period of ten years commencing from its adoption date. As at the date of this report, the remaining life of the Share Option Scheme is approximately six years and nine months.

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees and directors of the Group and to promote the success of the business of the Group. Pursuant to the Share Option Scheme, the Board may offer to grant an option to subscribe for such number of Shares as the Board may determine to an employee (whether full-time or part-time) or a director of the Company or any of its subsidiaries (the “**Eligible Persons**”).

The maximum number of Shares which may be issued in respect of all options to be granted under the Share Option Scheme and any options or awards granted under any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the adoption date of the Share Option Scheme (the “**Scheme Mandate Limit**”) (being 407,376,780 Shares). As at 1 January

2025 and 31 December 2025, the number of options available for grant under the Share Option Scheme was 407,376,780 and 339,616,780 (representing approximately 10% and 8.34% of the issued share capital of the Company as at the date of this report), respectively. A total of 67,760,000 shares, representing approximately 1.66% of the weighted average number of shares in issue (excluding treasury shares) of the Company, may be issued in respect of options and awards granted under all schemes of the Company during the year ended 31 December 2025. Option lapsed in accordance with the Share Option Scheme shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit. Unless approved by the shareholders in a general meeting, no options shall be granted to any Eligible Person which, if exercised, would result in the number of Shares issued and to be issued in respect of all options granted under the Share Option Scheme and any options or awards granted under any other schemes to such Eligible Person (excluding any lapsed options and awards) in the 12-month period up to and including the date of offer of such options, in aggregate exceeds 1% of the Shares in issue at such date.

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the Eligible Person concerned. An offer of options not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

## Report of the Directors

The exercise price of an option shall be such price as determined by the Board and notified to an option-holder which shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option, which must be a business day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option, which must be a business day; and
- (iii) the nominal value of the Shares.

Any option shall be vested on an option-holder according to any vesting schedule and/or upon the fulfillment of the vesting conditions (as the case may be) as specified in the offer of the option. The vesting period for an option shall not be less than 12 months. However, if an option is granted to an Eligible Person who is an employee, a shorter vesting period for such option may be determined under certain circumstances specified in the Share Option Scheme rules.

Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may be exercised after the offer of options has been vested. Any option which remains unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option or such longer period as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange's discretion.

An option shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the offer of the option, including any vesting schedule and/or conditions, any minimum period for which any option must be held before it can be exercised and/or any performance target which need to be achieved by the Company and/or an option-holder before the option can be exercised.

Further details of the principal terms of the Share Option Scheme are set out in the circular of the Company dated 5 December 2022.

## Report of the Directors

The following table sets out movements of the outstanding share options under the Share Option Scheme:

Name/category of grantee	Date of grant	Exercisable period	Number of share options					Balance as at 31 December 2025	Exercise price per share HK\$
			Balance as at 1 January 2025	Granted during the year	Exercised during the year	Lapsed/ forfeited during the year	Cancelled during the year		
Executive Director									
— Zhou Hongliang	2 April 2025 <sup>(1)</sup>	2 April 2026 to 1 April 2029 <sup>(2)</sup>	–	3,500,000 <sup>(3)</sup>	–	–	–	3,500,000	0.301
— Zheng Shifeng	2 April 2025 <sup>(1)</sup>	2 April 2026 to 1 April 2029 <sup>(2)</sup>	–	2,100,000 <sup>(3)</sup>	–	–	–	2,100,000	0.301
— Li Dun	2 April 2025 <sup>(1)</sup>	2 April 2026 to 1 April 2029 <sup>(2)</sup>	–	2,100,000 <sup>(3)</sup>	–	–	–	2,100,000	0.301
Employees	2 April 2025 <sup>(1)</sup>	2 April 2026 to 1 April 2029 <sup>(2)</sup>	–	60,060,000 <sup>(3)</sup>	–	–	910,000	59,150,000	0.301
<b>Total</b>			<b>–</b>	<b>67,760,000</b>	<b>–</b>	<b>–</b>	<b>910,000</b>	<b>66,850,000</b>	

Notes:

- The closing price of the Shares immediately before the date of grant of share options was HK\$0.28. The fair value of share options granted on 2 April 2025 was approximately HK\$0.137 per option as at the date of grant. For details of accounting standard and policy adopted, please refer to note 31 to the financial statements in this report.
- The share options granted (the “**Granted Options**”) shall be vested to the grantees in accordance with the vesting schedule as follows: (i) as to 40% of the total number of Granted Options on 2 April 2026; (ii) as to 30% of the total number of Granted Options on 2 April 2027; and (iii) as to 30% of the total number of Granted Options on 2 April 2028. Once vested, the share options shall be exercisable on a cumulative basis.
- The vesting of the share options is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally as follows:
  - for group level performance, the Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales target of the Group as a whole and of the applicable business; and
  - for individual level performance, the Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Board will determine whether the grantees meet the individual performance target based on their performance appraisal results for the relevant year.

## Report of the Directors

### SHARE AWARD SCHEME

The Board adopted the Share Award Scheme, which took effect from 15 November 2024 (the “**Adoption Date**”). The Share Award Scheme is funded by existing shares of the Company, therefore it does not constitute a scheme involving the new issuance of Shares as referred to in Chapter 17 of the Listing Rules but is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

The following is a summary of the principal terms of the Share Award Scheme:

#### Purpose

The Share Award Scheme is a share incentive scheme established to recognize and acknowledge the contributions which the Grantees (as defined below) have made or may make to the Group. The Share Award Scheme will provide the Grantees with the opportunity to own a personal stake in the Company with a view to motivate the Grantees, and to attract and retain or otherwise maintain on-going relationship with the Grantees whose contributions are, will be or are likely to be beneficial to the long-term growth of the Group.

#### Duration

The Share Award Scheme shall become effective upon the Adoption Date. The Share Award Scheme shall be valid and effective for a term of 10 years commencing from 15 November 2024, i.e. until 14 November 2034, unless terminated earlier by the Board (the “**Valid Period**”). As at the date of this report, the remaining life of the Share Award Scheme is approximately eight years and eight months.

The Share Award Scheme shall be valid and effective during the Valid Period. After the Valid Period, no further awards shall be offered or granted under the Share Award Scheme, but the provisions of the Share Award Scheme shall in all other respects remain in full force and effect and awards that are granted during the Valid Period may continue to be vested in accordance with their terms of issue.

#### Eligible Participants

Persons eligible to receive awards (the “**Awards**”) under the Share Award Scheme are existing or past employees, directors (whether executive or non-executive), consultants and advisers of the Company or any of its subsidiaries (the “**Grantees**”). The basis of eligibility of any Grantee shall be determined by the administration body of the Share Award Scheme from time to time based on the criteria of, among others, their contribution to the development and growth of the Group and such other factors as the Board may deem appropriate.

#### Administration of the Share Award Scheme

The Board has the power to administer the Share Award Scheme, including the power to construe and interpret the rules of the Share Award Scheme and the terms of the Awards granted under it. The Board may delegate the power and authority to administer the Share Award Scheme to a committee of the Board. The Board may also appoint one or more employees or independent third party contractors (including the Trustee (as defined below)) or designate any Director to assist in the administration of the Share Award Scheme and delegate such power and authority relating to the administration of the Share Award Scheme as the Board thinks fit.

## Report of the Directors

### Appointment of Trustee

The Company shall appoint one or more independent professional trustee (the “Trustee”) to assist with the administration and vesting of the Awards granted pursuant to the Share Award Scheme and to hold Shares underlying the Awards as applicable. The Trustee holding unvested shares underlying the Awards shall abstain from voting on matters that require shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given.

### Scheme Limit

There is no limit on the number of Shares that can be received and/or purchased by the Trustee pursuant to the Share Award Scheme, or the amount paid to the Trustee for the purpose of making such purchase.

### Restrictions

No payment shall be made to the Trustee, no instruction to purchase Shares shall be given to the Trustee and no grant of Awards shall be made in the following circumstances:

- (i) after a price sensitive event in relation to the securities of the Company has occurred or a price sensitive matter in relation to the securities of the Company has been the subject of a decision, until such price sensitive information has been published in accordance with the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO;
- (ii) on any day on which the Company’s financial results are published and: (1) during the period of 60 days immediately preceding the publication date of the Company’s annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (2) during the period of 30 days immediately preceding the publication date of the Company’s quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules; or
- (iii) in any circumstances which are prohibited under the Listing Rules, the SFO or any other applicable laws or regulations or where any requisite approval from any applicable governmental or regulatory authorities has not been granted.

### Source of the Shares

The Board may direct and procure the Trustee to (i) receive existing Shares from any shareholder of the Company or (ii) purchase existing Shares at such purchase price as the Board may direct or authorize, using funds of the Company, and to hold such Shares for the benefit of all or one or more of the Grantees and for the satisfaction of Awards granted or to be granted under the Share Award Scheme upon vesting. The Company may from time to time cause to be paid to the Trustee such amounts of funds from the Company’s resources as the Board may in its absolute discretion determine for the purchase of existing Shares. The Company will not issue new Shares to satisfy the Awards under the Share Award Scheme.

## Report of the Directors

### Grant of Awards

The Board may, from time to time at its absolute discretion, select any Grantee and grant Awards to such Grantee. In determining the number of Awards to be granted and/or the Grantees and the number of Shares to be granted to each Grantee, the Board shall take into consideration matters including, but without limitation to, (i) the contribution of the relevant Grantee to the development and growth of the Group, (ii) the general financial condition of the Group, (iii) the Group's overall business objectives and future development plan, and (iv) any other factors as the Board may deem appropriate.

Any grant of an Award to any director, chief executive or substantial shareholder of any member of the Group, or any of their associates (as defined in the Listing Rules), shall be subject to the prior approval of the independent non-executive Directors (and in each case excluding any independent non-executive Director who is the proposed Grantee) and shall otherwise be subject to compliance with the requirements under the Listing Rules, unless otherwise exempted under Chapter 14A of the Listing Rules.

### Vesting of Awards

The Board may from time to time while the Share Award Scheme is in force determine any vesting criteria or conditions for any Awards to be vested or credited, including, without limitation, such limitations based upon the passage of time after the grant of Awards, the satisfaction of specified performance criteria relating generally to the Company or particularly to a Grantee or the satisfaction or fulfilment of any other conditions as the Board may in its discretion determine as appropriate. Any of the foregoing vesting criteria or restrictions, if applicable to the Awards granted to

any Grantee, shall be set out in the grant letter issued to such Grantee. The Board may also determine that the Awards be vested immediately upon acceptance without any vesting conditions.

### Rights as a Shareholder

No Grantee shall enjoy any of the rights of a shareholder (including voting rights and the right to receive dividends) by virtue of the grant of an Award pursuant to the Share Award Scheme. The Grantees and the Trustee shall not be entitled to exercise any voting rights attached to any Shares which are held under the Trust (including the unvested Awards). After the underlying Shares are actually transferred to the Grantee upon vesting of the Awards, the Grantee shall have all rights as a shareholder with respect to any Shares delivered to him/her, including, without limitation, voting rights and the right to receive dividends.

### Amendments to the Share Award Scheme

Save as provided in the Share Award Scheme, the Board may alter any of the terms of the Share Award Scheme at any time.

### Termination

The Share Award Scheme shall terminate on the earlier of: (i) the expiry of the term of 10 years commencing from the Adoption Date, i.e. 14 November 2034; and (ii) such date of early termination as determined by a resolution of the Board, provided that such termination shall be without prejudice to any subsisting rights of any Grantees.

On 2 April 2025, the Company has granted an aggregate of 29,040,000 Awards pursuant to the Share Award Scheme to 197 Grantees (including Directors and employees of the Group).

## Report of the Directors

The following table sets out movements of the unvested Awards under the Share Award Scheme:

Name/category of grantee	Date of grant	Vesting period	Number of Awards					Balance as at 31 December 2025	Purchase price per Share (HK\$)	Closing price per Share immediately before the date of grant (HK\$)
			Balance as at 1 January 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year			
Executive Director										
— Zhou Hongliang	2 April 2025 <sup>(2)</sup>	2 April 2026 to 1 April 2029 <sup>(1)</sup>	–	1,500,000	–	–	–	1,500,000	0.09	0.28
— Zheng Shifeng	2 April 2025 <sup>(2)</sup>	2 April 2026 to 1 April 2029 <sup>(1)</sup>	–	900,000	–	–	–	900,000	0.09	0.28
— Li Dun	2 April 2025 <sup>(2)</sup>	2 April 2026 to 1 April 2029 <sup>(1)</sup>	–	900,000	–	–	–	900,000	0.09	0.28
Employees	2 April 2025 <sup>(2)</sup>	2 April 2026 to 1 April 2029 <sup>(1)</sup>	–	25,740,000	–	390,000	–	25,350,000	0.09	0.28
<b>Total</b>			<b>–</b>	<b>29,040,000</b>	<b>–</b>	<b>390,000</b>	<b>–</b>	<b>28,650,000</b>		

Notes:

- The Awards shall, subject to fulfilment of vesting conditions, be vested to the Grantees in accordance with the vesting schedule as follows: (i) as to 40% of the total number of granted Awards on 2 April 2026; (ii) as to 30% of the total number of granted Awards on 2 April 2027; and (iii) as to 30% of the total number of granted Awards on 2 April 2028.
- The fair value of the Awards granted on 2 April 2025 was approximately HK\$0.190 per Award as at the date of grant. For details of accounting standard and policy adopted, please refer to note 31 to the financial statements in this report.
- The vesting of the Awards is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally as follows:
  - for group level performance, the Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales target of the Group as a whole and of the applicable business; and
  - for individual level performance, the Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group. The Board will determine whether the grantees meet the individual performance target based on their performance appraisal results for the relevant year.

## Report of the Directors

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the following persons (other than the Directors or the chief executive of the Company) has interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Company/Name of Group Company	Capacity/ Nature of interest	Number of Shares directly or indirectly held <sup>(1)</sup>	Approximate percentage of shareholding
Wisun Engineering Investment Limited ("Wisun Investment")	Company	Beneficial owner	3,088,782,146(L)	75.82%
Wisun Group Holding Limited ("Wisun Holding")	Company	Interest in controlled corporation	3,088,782,146(L)	75.82%
Mr. Hua Bangsong <sup>(3)</sup>	Company	Interest in controlled corporation	3,088,782,146(L)	75.82%
Ms. Huang Xing <sup>(4)</sup>	Company	Interest of spouse	3,088,782,146(L)	75.82%

Notes:

- (1) The letter "L" denotes the person's long position in such Shares.
- (2) Wisun Holding, as the sole shareholder of Wisun Investment, is deemed or taken to be interested in the Shares which are owned by Wisun Investment.
- (3) Mr. Hua Bangsong, as the sole shareholder of Wisun Holding, is deemed or taken to be interested in the Shares which are beneficially owned by Wisun Holding.
- (4) Ms. Huang Xing is the spouse of Mr. Hua Bangsong. Under the SFO, Ms. Huang Xing is deemed to be interested in the same number of Shares in which Mr. Hua is interested.

Save as disclosed above, as at 31 December 2025, there were no other persons (other than Directors or chief executives of the Company) who had or are taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept by the Company under Section 336 of the SFO, or which are notified to the Company.

## Report of the Directors

### CONNECTED TRANSACTIONS

Mr. Hua Bangsong (“**Mr. Hua**”), a controlling shareholder of our Company, is a connected person of our Company under Rule 14A.07(1) of the Listing Rules.

Wisun Holding, a company wholly-owned by Mr. Hua, holds 100% of Wisun Investment. Wisun Investment owns approximately 75.82% of our Company as at the date of this report, and therefore is a controlling shareholder and a connected person of our Company under the Listing Rules.

Wisun (China) Holding Company (“**Wisun (China) Investment**”) is an indirect wholly-owned subsidiary of Wisun Holding. Therefore, Wisun (China) Investment is an associate of Mr. Hua and a connected person of our Company under the Listing Rules.

Wisun Engineering Ltd. (“**Wisun Engineering**”) is an indirect wholly-owned subsidiary of the Company.

Shanghai Wisun Offshore & Marine Co., Ltd. (“**Shanghai Wisun Marine**”) is an indirect subsidiary of Wisun Holding. Shanghai Wisun Marine is therefore an associate of Mr. Hua and a connected person of our Company under the Listing Rules.

Wisun Holding and its subsidiaries are referred to as “**Wisun Group**” herein. Wisun Holding and its subsidiaries and any companies in which Wisun Holding and/or its subsidiaries can control the exercise of 30% or more of the voting power at general meetings and/or control the composition of a majority of the board of directors are referred to as “**Wisun Holding Entities**”.

### One-off Connected Transactions

The following transactions are one-off connected transactions of our Group conducted during the year ended 31 December 2025:

#### 1. Entrustment Guarantee Agreement

On 22 December 2022, Wisun Engineering (as the entrusted guarantor) and Wisun Holding (as the guarantor) entered into an entrustment guarantee agreement (the “**Entrustment Guarantee Agreement**”) in relation to a parent company guarantee (the “**Guarantee**”) provided by Wisun Holding for Wisun Engineering in favour of Zapsibneftekhim LLC, which provides assurances for the fulfilment of Wisun Engineering’s obligations arising under and in connection with certain engineering, procurement and site services contracts entered into between Wisun Engineering and Zapsibneftekhim LLC. Pursuant to the Entrustment Guarantee Agreement, Wisun Engineering shall pay a guarantee fee to Wisun Holding calculated based on 0.5% per annum of the total principal amount of the guarantee liability stated in the Guarantee. The guarantee fee rate is determined with reference to the annualized rate and cost of the Guarantee. The maximum guarantee fee is RMB30,150,000. The term of the Entrustment Guarantee Agreement commences on 1 January 2023 and expires on 31 December 2028.

For the year ended 31 December 2025, the amount of guarantee fee payable by Wisun Engineering under the Entrustment Guarantee Agreement was RMB5,025,000.

The Entrustment Guarantee Agreement was announced on 22 December 2022.

## Report of the Directors

### 2. EPCIC Stage Topside Engineering Design Contract

On 18 May 2023, Wiscon Engineering and Shanghai Wiscon Marine entered into a topside engineering design contract (the “**EPCIC Stage Topside Engineering Design Contract**”), pursuant to which Wiscon Engineering was engaged by Shanghai Wiscon Marine to carry out the topside engineering design for EPCIC stage of the Marine XII Offshore FLNG Project.

The total contract price payable by Shanghai Wiscon Marine to Wiscon Engineering under the EPCIC Stage Topside Engineering Design Contract is currently expected to be no more than RMB120,000,000, which represents the costs expected to be incurred by Wiscon Engineering (including but not limited to salaries and overtime pay of its personnel, domestic travel expenses, statutory benefits, insurance expenses, transportation and accommodation costs, management fee, profits and various taxes). Besides, pursuant to the EPCIC Stage Topside Engineering Design Contract, Wiscon Engineering will also be entitled to certain incentive payments from Shanghai Wiscon Marine for efficient delivery of works. It is expected that the total amount of such incentive payments will be no more than RMB1,500,000. Therefore, the total amount receivable by Wiscon Engineering under the EPCIC Stage Topside Engineering Design Contract is expected to be RMB121,500,000.

For the year ended 31 December 2025, the relevant revenue amount recognized by the Group under the EPCIC Stage Topside Engineering Design Contract was RMB21,295,000.

The EPCIC Stage Topside Engineering Design Contract was announced on 18 May 2023 and was approved by independent shareholders of the Company at the extraordinary general meeting held on 30 June 2023.

### 3. Acquisition of 35% Equity Interests in Levima Wiscon (Jiangsu) Advanced Materials Co. Ltd.\*

On 11 September 2024, Wiscon Engineering (the “**Purchaser**”) and Wiscon (China) Investment (the “**Vendor**”) entered into an equity transfer agreement (the “**Equity Transfer Agreement**”), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 35% equity interests in Levima Wiscon (Jiangsu) Advanced Materials Co. Ltd. (the “**Target Company**”) at the consideration of RMB255,000,000 in cash.

The consideration shall be paid by the Purchaser by cash to such bank account as designated by the Vendor in the following manner: (i) the first installment in the sum of RMB63,750,000 (representing 25% of the consideration) shall be paid within three months of the date of the Equity Transfer Agreement; and (ii) the second installment in the sum of RMB191,250,000 (representing the remaining 75% of the consideration) shall be paid within 18 months after the date of the Equity Transfer Agreement.

\* For identification purposes only

## Report of the Directors

Upon completion of the acquisition, the Purchaser will be interested in 35% of the equity interests in the Target Company. The Target Company will not become a subsidiary of the Company as a result of the acquisition and hence, the financial results of the Target Company will not be consolidated into those of the Group.

The acquisition was approved by independent shareholders of the Company at an extraordinary general meeting of the Company held on 12 November 2024. The acquisition has completed by 30 September 2025.

Further information can be found in the Company's announcement and circular dated 11 September 2024 and 17 October 2024, respectively.

### Continuing Connected Transactions

For the financial year ended 31 December 2025, all the continuing connected transactions (the "**Continuing Connected Transactions**") have not exceeded their respective annual caps:

#### 1. **2023 Property Leasing Framework Agreement**

On 22 December 2022, Wisun Engineering entered into a new property leasing framework agreement (the "**2023 Property Leasing Framework Agreement**") with Wisun Holding (for itself and on behalf of the Wisun Holding Entities) to renew the 2020 Property Leasing Framework Agreement which expired on 31 December 2022. Similar to the terms under the 2020 Property Leasing Framework Agreement, the 2023 Property Leasing Framework Agreement covers and governs the leasehold

relationship between the parties under any future lease arrangements to be entered into between Wisun Engineering (as landlord) and the relevant Wisun Holding Entities (as tenants) in relation to the leases of and the provision of property management services for certain premises located at No. 699 Zhongke Road, Pudong New District, Shanghai, the PRC during the term of the agreement. The 2023 Property Leasing Framework Agreement shall be for a term of three years commencing from 1 January 2023 and expiring on 31 December 2025, and the transactions contemplated thereunder are subject to the annual caps of RMB41,000,000, RMB45,000,000 and RMB48,000,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

The 2023 Property Leasing Framework Agreement was announced on 22 December 2022.

On 5 December 2023, the Company entered into a supplemental agreement with Wisun Holding to revise annual caps for the amounts payable by the relevant Wisun Holding Entities to Wisun Engineering under the 2023 Property Leasing Framework Agreement for the years ended 31 December 2024 and 2025 to RMB60,000,000 and RMB60,000,000, respectively. The supplemental agreement shall be effective from 1 January 2024. The 2023 Property Leasing Framework Agreement (as revised) expired on 31 December 2025. The supplemental agreement was announced on 5 December 2023.

## Report of the Directors

The aggregate rental, property management fees, utility charges and charges for conference facilities payable to Wison Engineering under the 2023 Property Leasing Framework Agreement for the year ended 31 December 2025 were RMB51,675,000.

### 2. **2023 Wison Holding Service Agreement**

On 22 December 2022, the Company entered into a service agreement with Wison Holding (the “**2023 Wison Holding Service Agreement**”) to renew the 2020 Wison Holding Service Agreement which expired on 31 December 2022. Similar to the terms under the 2020 Wison Holding Service Agreement, the Group shall provide to Wison Group with consulting, marketing and new business development services in oil and gas and petrochemical areas in relation to the business operations of Wison Group, and Wison Group shall provide to the Group with information technology services and legal and compliance services under the 2023 Wison Holding Service Agreement. The term of the 2023 Wison Holding Service Agreement commenced on 1 January 2023 and expired on 31 December 2025. The fees payable to the Group by Wison Group and the fees payable by the Group to Wison Group are determined based on the amount of time incurred by the qualified personnel assigned to provide the relevant services at hourly rates determined with reference to market rates for the remuneration of such qualified personnel, plus out-of-pocket expenses and general and administration expenses actually incurred. The fees shall be payable quarterly in cash. The annual caps for the fees receivable by the Group from Wison

Group under the 2023 Wison Holding Service Agreement are RMB20,000,000, RMB20,000,000 and RMB20,000,000 for the years ended 31 December 2023, 2024 and 2025, respectively, and the annual caps for the fees payable by the Group to Wison Group under the 2023 Wison Holding Service Agreement are RMB18,000,000, RMB19,800,000 and RMB21,780,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

For the year ended 31 December 2025, the service fee revenue recognized by the Group from Wison Group and the service fee incurred by the Group from Wison Group were RMB1,000 and RMB20,847,000, respectively.

The 2023 Wison Holding Service Agreement was announced on 22 December 2022.

### 3. **Engineering Design Framework Agreement**

On 22 September 2023, the Company (for itself and on behalf of its subsidiaries) entered into an engineering design framework agreement with Wison Holding (for itself and on behalf of the Wison Holding Entities) (the “**Engineering Design Framework Agreement**”), pursuant to which the Group shall, following the principal terms of the Engineering Design Framework Agreement, from time to time provide to the Wison Holding Entities (i) engineering design services in oil, gas and petrochemical areas in relation to the business operations of the Wison Holding Entities from time to time and (ii) any other relevant advice and assistance as may be agreed upon by the parties.

## Report of the Directors

The Engineering Design Framework Agreement expired on 31 December 2025 and the transactions thereunder are subject to the proposed annual caps of RMB260,000,000, RMB260,000,000 and RMB260,000,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

The aggregate amounts payable by the Wison Holding Entities under the Engineering Design Framework Agreement for the year ended 31 December 2025 were RMB101,263,000.

The Engineering Design Framework Agreement was announced on 22 September 2023 and was approved by independent shareholders of the Company at the extraordinary general meeting held on 31 October 2023.

#### 4. The 2026 Engineering Design Framework Agreement

On 29 December 2025, the Company (for itself and on behalf of its subsidiaries) entered into an engineering design framework agreement with Wison Holding (for itself and on behalf of the Wison Holding Entities) (the “**2026 Engineering Design Framework Agreement**”), pursuant to which, following the principal terms of the 2026 Engineering Design Framework Agreement, (a) the Group shall from time to time provide to the Wison Holding Entities (i) engineering design services in oil, gas and petrochemical areas and (ii) any other relevant advice and assistance as may be agreed upon by the parties; and (b) the Wison Holding Entities shall from time to time provide to the Group modularized design services.

The 2026 Engineering Design Framework Agreement commenced on 1 January 2026 and will expire on 31 December 2028. The proposed annual caps for the amount receivable by the Group under the Engineering Design Framework Agreement is RMB20,000,000, RMB20,000,000 and RMB20,000,000 for the years ending 31 December 2026, 2027 and 2028, respectively. The proposed annual caps for the amount payable by the Group under the Engineering Design Framework Agreement is RMB20,000,000, RMB20,000,000 and RMB20,000,000 for the years ending 31 December 2026, 2027 and 2028, respectively.

The 2026 Engineering Design Framework Agreement was announced on 29 December 2025.

In the opinion of the independent non-executive Directors, the continuing connected transactions above were entered into by the Group:

- (i) in the ordinary and usual course of its business;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreements governing such transactions and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## Report of the Directors

Further, the Board has engaged the auditor of the Company to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Details of the related party transactions of the Group during the year ended 31 December 2025 are set out in Note 32 to the financial statements. During the year ended 31 December 2025, certain related party transactions set out in Notes 32(a)(i), 32(a)(v), 32(a)(vi), 32(a)(viii) and 32(a)(x), are regarded as continuing connected transactions or connected transactions of the Group, under Chapter 14A of the Listing Rules.

In respect of the connected transactions and continuing connected transactions conducted during the year ended 31 December 2025, the Company has complied with the disclosure requirements under the Listing Rules.

### EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme as disclosed under the sub-section headed "Share Option Scheme" above, no equity-linked agreements were entered into by the Company during the Year.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association, although there are no restrictions against such rights under the laws in the Cayman Islands.

### PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the year ended 31 December 2025.

As at 31 December 2025, no treasury shares (as defined under the Listing Rules) were held by the Company.

### FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 6 to 7 of this report.

### BANK AND OTHER LOANS

Particulars of bank and other loans of the Group as at 31 December 2025 are set out in Note 27 to the financial statements.

### EMOLUMENT POLICY

The Company is well aware of the importance of incentivising and retaining its employees. The Group offers competitive salaries and bonuses to its employees, and make contributions to various social welfare funds for its employees, which in turn provide retirement benefits, pension payments, medical insurance, unemployment insurance, public housing reserves, work injury insurance and maternity insurance benefits to the employees. The Company also offers long-term incentive schemes in the form of share option scheme and share award scheme for eligible employees, details of which are set out under the sub-sections headed "Share Option Scheme" and "Share Award Scheme", respectively.

## Report of the Directors

### EMPLOYEE RETIREMENT BENEFITS

Particulars of the employee retirement benefits of the Group are set out in Note 3 to the financial statements.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, the Directors, secretary and other officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all liabilities incurred by such Directors, secretary or other officers in the execution of their duties. The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions that may be brought against the Directors, secretary or other officers of the Company.

### PUBLIC FLOAT

The Company has obtained a waiver from the Stock Exchange and the Stock Exchange has accepted a lower public float percentage of 21.87% of our total issued share capital.

As at the date of this report, based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the minimum public float as permitted by the Stock Exchange.

### AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group's internal controls and financial reporting matters with the management. The Audit Committee has reviewed and discussed the annual results for the year ended 31 December 2025.

### AUDITORS

The financial statements have been audited by Ernst & Young who shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for reappointment.

By order of the Board

**Zhou Hongliang**

*Executive Director, Chairman and Chief Executive Officer*

Hong Kong, 26 March 2026



**Corporate  
Governance  
Report**



# Corporate Governance Report

The Board is committed to upholding high standards of corporate governance practices and business ethics in the firm belief that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the shareholders. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance. Set out below are certain principles of corporate governance as adopted by the Company during the year ended 31 December 2025.

The Board is of the view that throughout the Year, the Company applied the principles and complied with all the code provisions set out in the Corporate Governance Code (the "**Code**") contained in Appendix C1 to the Listing Rules.

On 27 March 2025, Mr. Zhou Hongliang ("**Mr. Zhou**"), the Chief Executive Officer (the "**CEO**") and an executive Director, was appointed as the Chairman of the Board. As Mr. Zhou now serves as both the Chairman of the Board (the "**Chairman**") and the CEO, such practice deviates from code provision C.2.1 in Part 2 of the Code.

The Board believes that vesting the roles of both the Chairman of the Board and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from code provision C.2.1 in Part 2 of the Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of three executive Directors, one non-executive Director and five independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

## BOARD OF DIRECTORS

The Board is charged with promoting the success of the Company by directing and supervising its affairs. The Board has general powers for the management and conduct of the Company's business. The day-to-day operations and management are delegated by the Board to the management of the Company, who will implement the strategy and direction as determined by the Board.

## Corporate Governance Report

The directors as at the date of this report are:

### Executive Directors

Mr. Zhou Hongliang

*(Chairman & Chief Executive Officer)*

Mr. Zheng Shifeng

Mr. Li Dun *(Chief Financial Officer)*

### Non-executive Director

Mr. Liu Hongjun

### Independent Non-executive Directors

Mr. Lawrence Lee

Mr. Feng Guohua

Ms. Guo Ruqian

Prof. Shi Donghui

Prof. Dong Jing

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" on pages 33 to 37 of this report.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Directors do not have any financial, business, family or other material/relevant relationships with one another.

Each of Mr. Zhou Hongliang, Mr. Zheng Shifeng and Mr. Li Dun has entered into a service contract with us for a term of three years commencing from 10 September 2025, 1 September 2023 and 28 August 2024, respectively, which shall continue thereafter unless terminated by not less than six months' written notice. Mr. Liu Hongjun has entered into a letter of appointment with our Company for a term of three years commencing from 19 February 2026 unless terminated by three months' written notice or in certain circumstances in accordance with the terms of his letter of appointment. Each of Mr. Lawrence Lee, Mr. Feng Guohua, Ms. Guo Ruqian, Prof. Shi Donghui and Prof. Dong Jing has entered into a letter of appointment with our Company for a term of three years commencing from 30 March 2024, 28 December 2024, 15 November 2024, 21 August 2025 and 21 August 2025, respectively, unless terminated by three months' written notice or in certain circumstances in accordance with the terms of the relevant letter of appointment. Notwithstanding the above, all Directors, including the independent non-executive Directors, are subject to retirement by rotation at least once every three years in accordance with the Listing Rules and the Articles of Association. A retiring director is eligible for re-election.

## Corporate Governance Report

Under the service contracts, our executive Directors are entitled to aggregate annual salaries of approximately RMB5.72 million, plus a discretionary bonus as determined by the Board and our Remuneration Committee. Mr. Liu Hongjun is not entitled to any director's fee for his role as non-executive Director. The basic annual remuneration payable to each of our independent non-executive Directors according to their respective letter of appointment is HK\$336,000. The remuneration of the Directors is determined with reference to their duties, responsibilities and experience, and prevailing market conditions. Details of the remuneration of the Directors for 2025 are set out in Note 9 to the financial statements.

The Company has received a written confirmation of independence from each of the independent non-executive Directors, and considers them to be independent.

Each of Prof. Shi Donghui and Prof. Dong Jing, who has been appointed as a Director during the year ended 31 December 2025, has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him/her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 19 August 2025, and each of them has confirmed that he/she understood his/her obligations as a director of a listed issuer.

Directors have access to the services of the Company Secretary to ensure that the Board procedures are followed. The Company Secretary of the Company is Ms. Tsang Chi Ka. In compliance with Rule 3.29 of the Listing Rules, Ms. Tsang has undertaken not less than 15 hours of relevant professional training during the year ended 31 December 2025.

Code provision C.5.1 in Part 2 of the Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board committee meetings, reasonable notice is generally given. Any Director can give notice to the Chairman or the company secretary if he/she intends to include matters on the agenda of a Board meeting. The agenda and accompanying board papers are dispatched to the Directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the company secretary with copies circulated to all Directors for information and records.

## Corporate Governance Report

Minutes of the Board meetings and Board committee meetings are recorded in sufficient details about the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by the Directors. Procedures have also been agreed by the Board to enable board members to seek independent professional advice at the Company's expense. The procedures in place are reviewed on an annual basis and considered as effective.

In 2025, the Board held ten meetings. A total of 44 proposals were considered at these Board meetings, including proposals for the consideration of the Company's 2024 annual report, 2025 interim report, appointment of independent non-executive Directors, changes in composition of board committees, grant of share options and share awards and approval of renewal of continuing connected transactions. The Board also considered the Company's compliance with the Code generally.

The table below sets out the details of Board meetings and general meetings attendance of each Director during the year ended 31 December 2025.

Director	Board meetings	General meeting
Zhou Hongliang	10/10	1/1
Zheng Shifeng	9/10	1/1
Li Dun	10/10	1/1
Liu Hongjun	10/10	1/1
Lawrence Lee	10/10	1/1
Tang Shisheng ( <i>retired on 6 June 2025</i> )	4/4	0/1
Feng Guohua	10/10	1/1
Guo Ruqian	10/10	1/1
Shi Donghui ( <i>appointed on 21 August 2025</i> )	3/3	0/0
Dong Jing ( <i>appointed on 21 August 2025</i> )	3/3	0/0

For the year ended 31 December 2025, the Company convened one annual general meeting. In addition, a meeting between the Chairman and the independent non-executive Directors without the presence of other Directors was held.

### CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

In accordance with code provision C.1.4 in Part 2 of the Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills in order to ensure that their contribution to the Board remains informed and relevant.

## Corporate Governance Report

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director’s responsibilities and obligations under the Listing Rules and relevant statutory requirements.

The Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices, business ethics and anti-corruption aspects and other regulatory regimes, where applicable, to the Directors with written materials.

During the year of 2025, the Directors participated in the continuous professional development as follows:

Director	Corporate Governance/ Rules and Regulations/ Accounting and Financial	
	Reading materials	Watching training webcasts
Zhou Hongliang	✓	✓
Zheng Shifeng	✓	✓
Li Dun	✓	✓
Liu Hongjun	✓	✓
Lawrence Lee	✓	✓
Feng Guohua	✓	✓
Guo Ruqian	✓	✓
Shi Donghui	✓	✓
Dong Jing	✓	✓

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Zhou Hongliang, in addition to his duties as the Chairman of the Board, is also responsible for the strategic planning and overseeing all aspects of the Group’s operations as the CEO. This constitutes a deviation from code provision C.2.1 in Part 2 of the Code.

The Board believes that vesting the roles of both the Chairman of the Board and the CEO in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. In addition, under the supervision of the Board which is comprised of three executive Directors, one non-executive Director and five independent non-executive Directors, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group.

## Corporate Governance Report

### DELEGATION BY THE BOARD

The Board reserves for its decision all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

### CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the corporate governance duties as set out under code provision A.2.1 in Part 2 of the Code, reviewing the overall corporate governance arrangements, approving governance policies and reviewing disclosures in this corporate governance report. It plays a central supportive and supervisory role in the Company's corporate governance duties.

The governance framework adopted by the Company emphasizes effective risk management and internal control systems, accountability to shareholders, transparency in reporting and compliance with relevant rules and regulations. Such framework serves as an ongoing guidance for the Directors to perform and fulfill their respective roles and obligations to the Company.

The Company recognizes that board independence is critical to good corporate governance and board effectiveness. The participation of independent non-executive Directors in the Board brings independent and objective judgment on issues relating to the Group's strategy, performance, conflicts of interest and management process to ensure that the interests of all shareholders have been duly considered.

### INDEPENDENCE OF THE BOARD

To ensure independent views and inputs are available to the Board, the following mechanisms have been established by the Company:

- (a) **Composition of the Board and Board committees:** The Board endeavours to ensure the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors. Apart from that, independent non-executive Directors shall be appointed to other Board committees as far as practicable.

## Corporate Governance Report

- (b) **Independence assessment:** The Nomination Committee must strictly adhere to the nomination policy and any other relevant policies of the Company and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive Directors. Each independent non-executive Directors is also required to inform the Company if there is any change in his/her own personal particulars that may materially affect his/her independence. The Nomination Committee is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the Listing Rules.
- (c) **Professional advice:** Directors may seek further information from the management on the matters to be discussed at board meetings. They may also seek assistance from the Company's company secretary and, where necessary, obtain independent advice from external professional advisers at the Company's expense.
- (d) **Conflicts management:** Directors shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has or is deemed to have a material interest.
- (e) **Meetings with the Chairman:** The Chairmen of the Board shall at least annually hold meetings with the independent non-executive Directors without the presence of other Directors to discuss major issues and any concerns.

The Board reviews the implementation and effectiveness of the above mechanisms on an annual basis.

### BOARD COMMITTEES

The Company has three principal Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. Each of the Board committees operates under its terms of reference. The terms of reference of the Board committees are available on the website of the Company and that of the Stock Exchange.

The members of the Audit Committee, the Nomination Committee and the Remuneration Committee are all independent non-executive Directors.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

# Corporate Governance Report

## Audit Committee

The Audit Committee has five members. Mr. Lawrence Lee is the chairman of the committee and the other four members are Mr. Feng Guohua, Ms. Guo Ruqian, Prof. Shi Donghui and Prof. Dong Jing. All members of the Audit Committee are independent non-executive Directors.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of our Group and provide advice and comments to the Board.

In 2025, the Audit committee held three meetings, at which a total of 14 proposals were considered, including proposals for the consideration of the Company's 2024 annual report, 2025 interim report, the appointment of auditors for 2025 and approval of continuing connected transactions of the Company. The Audit Committee also assessed the risk management and internal control measures and the effectiveness of the internal audit function of the Company.

The table below sets out the details of meetings attendance of each member of the Audit Committee during the year ended 31 December 2025.

Director	Number of meetings requiring attendance	Number of meetings attended in person
Lawrence Lee	3	3
Tang Shisheng ( <i>retired on 6 June 2025</i> )	1	1
Feng Guohua	3	3
Guo Ruqian ( <i>appointed on 27 March 2025</i> )	2	2
Shi Donghui ( <i>appointed on 29 December 2025</i> )	0	0
Dong Jing ( <i>appointed on 29 December 2025</i> )	0	0

## Nomination Committee

The Nomination Committee has five members. Ms. Guo Ruqian is the chairman of the committee and the other four members are Mr. Feng Guohua, Mr. Lawrence Lee, Prof. Shi Donghui and Prof. Dong Jing. All members of the Nomination Committee are independent non-executive Directors.

The primary duty of the Nomination Committee is to make recommendations to our Board on the appointment of Directors and senior management. The Nomination Committee is also responsible for reviewing and assessing the composition of the Board and the independence of the independent non-

executive Directors and making recommendations to the Board on appointment and removal of Directors.

## Nomination Process

The Company has adopted a nomination policy (the "**Nomination Policy**"), which sets out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the directors of the Company.

## Corporate Governance Report

In recommending to the Board for the appointment of a new Director, the Nomination Committee performs in accordance with the following procedures and process as set out in the Nomination Policy:

- (i) the Nomination Committee will, taking into consideration the current composition, diversity and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort on suitable candidates;
- (ii) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertisements, recommendations from an independent agency firm and proposals from shareholders of the Company;
- (iii) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;
- (iv) upon considering whether a candidate is suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (v) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

- (vi) the Board will have the final authority on determining the selection of nominees.

### Board Diversity Policy

The Company has formulated and adopted the board diversity policy (the “**Board Diversity Policy**”) for compliance with the Listing Rules and the code provisions concerning the diversity of board members. The Board Diversity Policy sets out the approach adopted by the Board regarding the diversity of Board members, and the implementation and effectiveness of the Board Diversity Policy are reviewed by the Board on an annual basis.

The Board continuously seeks to enhance its effectiveness and to maintain the highest standards of corporate governance and recognizes diversity at Board level as an essential element in maintaining competitive advantage and sustainable development. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

## Corporate Governance Report

The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and in order for the Board to be effective. Appropriate emphasis on maintaining gender diversity has also been placed in the reviews of board composition, board diversity and succession planning to ensure a pipeline of potential successors in achieving gender diversity.

As at the date of the annual report, the Board consists of two female members and seven male members, biographical details of the current Directors are set out in the directors' report on pages 33 to 36. The Nomination Committee considered that the Board was sufficiently diverse in terms of gender and involved in extensive experience, skills and knowledge in energy industry, financial and business management, it can enable the Company to maintain a high standard of operation.

As at 31 December 2025, the Group had approximately 1,523 employees (including senior management), with approximately 66.5% male and 33.5% female. The Company currently has two senior management members, with 100% male. The Company has also

taken, and will continue to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. For further details of gender ratio, please refer to the Group's ESG Report to be published separately.

### Nomination Criteria

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board.

In 2025, the Nomination Committee held four meetings at which a total of 10 proposals were considered, including proposals for assessment of the independence of independent non-executive Directors, re-election of directors and appointment of independent non-executive Directors and changes in composition of board committees.

The table below sets out the details of meeting attendance of each member of the Nomination Committee during the year ended 31 December 2025.

Director	Number of meeting requiring attendance	Number of meeting attended in person
Guo Ruqian ( <i>appointed on 27 March 2025</i> )	3	3
Tang Shisheng ( <i>retired on 6 June 2025</i> )	1	1
Feng Guohua	4	4
Lawrence Lee	4	4
Shi Donghui ( <i>appointed on 29 December 2025</i> )	0	0
Dong Jing ( <i>appointed on 29 December 2025</i> )	0	0

## Corporate Governance Report

### Remuneration Committee

The Remuneration Committee has five members. Mr. Feng Guohua is the chairman of the committee and the other four members are Mr. Lawrence Lee, Ms. Guo Ruqian, Prof. Shi Donghui and Prof. Dong Jing. All members of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee has adopted the model code described in code provision E.1.2(c)(i) in Part 2 of the Code in its terms of reference. The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by our Company to our Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee

to ensure that the levels of their remuneration and compensation are appropriate.

In 2025, the Remuneration Committee held three meetings, at which a total of 7 proposals were considered, including proposals for the remuneration and terms of service contracts of executive Directors, remuneration of newly appointed Directors, assessment of performance of the executive Directors, review and approval of performance-based remuneration by reference to corporate goals and objectives, as well as grant of share options and share awards.

The table below sets out the details of meeting attendance of each member of the Remuneration Committee during the year ended 31 December 2025.

Director	Number of meeting requiring attendance	Number of meeting attended in person
Feng Guohua	3	3
Lawrence Lee	3	3
Tang Shisheng ( <i>retired on 6 June 2025</i> )	1	1
Guo Ruqian ( <i>appointed on 27 March 2025</i> )	2	2
Shi Donghui ( <i>appointed on 29 December 2025</i> )	0	0
Dong Jing ( <i>appointed on 29 December 2025</i> )	0	0

For the year ended 31 December 2025, the number of senior management (including the executive Directors) whose remuneration fell within the following bands is as follows:

RMB1,000,001 to RMB2,000,000	1
RMB2,000,001 to RMB3,000,000	3
RMB3,000,001 to RMB4,000,000	1

Further details of the remuneration of the Directors and the five highest paid employees are set out in Note 9 to the financial statements.

### CORPORATE GOVERNANCE FUNCTIONS

#### Risk Management and Internal control

The Board is responsible for ensuring that the Company establishes good corporate governance practices and procedures. The Board also has the overall responsibility for evaluating and determining the nature and extent of the risks (including but not limited to material risks relating to ESG) it is willing to take in achieving the Group's strategic objectives, maintaining sound and effective risk management and internal control systems and reviewing their effectiveness.

## Corporate Governance Report

The Company has established and maintained the risk management system and internal control system according to the Corporate Risk Management Framework (企業風險管理框架) published by the Committee of Sponsoring Organizations of the Treadway Commission. In accordance with its general goals, the Company identified, organized and analysed the key business related risks for the purposes of risk management and value creation. Regular and ad hoc risk assessments were conducted and internal control systems were reviewed annually to cover the period since the previous annual review and a refined risk management system was adopted to identify, assess and minimize risks. All these measures can provide reasonable, though not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives.

The Company has a clear organizational structure that, to the extent required, delegates the day-to-day responsibility for the formulation and implementation of procedures and monitoring of risk. Processes used to identify, evaluate and manage significant risks and processes used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects are mainly carried out in accordance with the Group's various manuals, regulations and procedures, namely the "Risk Management Manual", "Regulations of Initial Risk Management of Engineering Projects" and "Procedures for Implementation of Risk Management of Engineering Projects".

The main features of the risk management and internal control systems of the Company are comprehensive risk management which covers the entire business process of the Company and penetrates full-process control and monitoring. The effectiveness of the relevant systems in each year is

confirmed through regular and ad hoc risk identification, risk assessment and risk response and follow-up work conducted by the management and business departments and each engineering project on an annual basis. The Company has established its internal audit function to carry out examination and evaluation on the review process and results, and follow up on the progress of improvement after the examination. The examination and evaluation results, recommendation for improvement and the progress of improvement in terms of risk management are then reported to the Board and the Audit Committee.

Deficiencies and insufficiency of the internal control mechanism and its implementation were identified through self-evaluation of risk and inspection. These initiatives facilitated the enhancement of the risk management system and reasonably ensured the effective operation of the risk management and internal control systems in order to safeguard the legal interest of the investors and protect the Company's assets.

The Board evaluated the sufficiency and effectiveness of risk management and internal control systems and the internal audit function of the Company through the Audit Committee. The Board considered the existing systems to be effective and adequate.

### Disclosure of Inside Information

The Company has developed its disclosure policy which provides a general guide to the Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

## Corporate Governance Report

### ANTI-CORRUPTION POLICY

The Group does not tolerate any form of bribery, whether direct or indirect, by, or of, its Directors, officers, employees, agents or consultants or any persons or companies acting for it or on its behalf. The Company adopts the anti-corruption policy to assist employees in recognising circumstance which may lead to or give the appearance of being involved in corruption or unethical business conduct, so as to avoid such conduct which is clearly prohibited, and to promptly seek guidance where necessary.

The Group also organizes the employees to carry out compliance and integrity training every year to enhance the integrity awareness across the organization. The compliance and integrity trainings are given to Directors, senior management and staff of the Company.

We will review the anti-corruption policy on a regular basis and report any sentenced cases to the legal and compliance department of the Company.

### WHISTLEBLOWING POLICY

The Company expects and encourages employees of the Group and those who deal with the Group (e.g. suppliers, customers, creditors and debtors) to report to the Company, in confidence, any suspected impropriety, misconduct or malpractice concerning the Group. The Company adopted the whistleblowing policy to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them in the formal system.

We will review the whistleblowing policy on a regular basis and report any suspected cases to the legal and compliance department of the Company.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the year ended 31 December 2025.

### DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of the financial statements which give a true and fair view of the financial position of the Company and its subsidiaries and of the financial performance and cash flow during the reporting period. A statement from the auditors about their reporting responsibilities on the financial statements is set out on pages 78 to 86 of this report. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

The Board has further reviewed the effectiveness of the risk management and internal control systems of the Group to ensure that sound systems are maintained and operated by the management in compliance with the agreed procedures and standards. The review covered all material controls, including financial, operational and compliance controls and risk management functions. During the year ended 31 December 2025, no material weakness on risk management and internal control measures has been identified. In addition, the Board considered

## Corporate Governance Report

the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function, as well as those relating to the Company's ESG performance and reporting.

### COMPANY SECRETARY

Ms. Tsang Chi Ka has been appointed as the company secretary of the Company on 18 February 2021. She is a full time employee of the Company who has day-to-day knowledge of the Company and is responsible for advising the Board on corporate governance matters.

Ms. Tsang confirmed that she has attended sufficient professional training as required in accordance with Rule 3.29 of the Listing Rules during the Year.

### EXTERNAL AUDITORS

Ernst & Young are appointed as the external auditors of the Company. The Group also engaged some local auditors as its subsidiaries' statutory auditors.

For the year ended 31 December 2025, the external auditors received the following remuneration for audit and non-audit services provided to the Group:

	<b>RMB</b>
Audit service	3,780,000
Taxation and consultation service	392,000
Other non-audit service	150,000
	4,322,000

## Corporate Governance Report

### DIVIDEND POLICY

The Company has adopted a dividend policy which is in accordance with the relevant provisions of the Articles of Association. Pursuant to the dividend policy, the Company may from time to time in general meeting declare dividends in any currency to be paid to the members of the Company but no dividend shall be declared in excess of the amount recommended by the Board. No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution, including share premium. No dividend shall carry interest against the Company.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company.

The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.

The Board may also, without convening a general meeting, from time to time declare interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. The Board may also pay half-yearly or at other suitable intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the financial conditions and the profits available for distribution justify the payment. The Board may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company as it thinks fit. Any dividend unclaimed shall be forfeited and shall be returned to the Company in accordance with the Articles of Association and all applicable laws and regulations.

The Board will review the dividend policy from time to time and may adopt changes as appropriate at the relevant time.

### SHAREHOLDERS' RIGHTS

#### Procedures for putting forward proposals at Shareholders' meetings

There is no provision allowing shareholders to make proposals or move resolutions at the AGMs under the Articles of Association or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "EGM") in accordance with the "Procedures for shareholders to convene an EGM" set out below.

## Corporate Governance Report

### Procedures for shareholders to convene an EGM

Any one or more shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the “**Eligible Shareholder(s)**”) shall at all times have the right, by written requisition to require an EGM to be called by the Board or the Company Secretary for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM. Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the “**Requisition**”) signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong (Room 2507, 25th Floor, Central Plaza, 18 Harbour Road, Wan Chai, Hong Kong) for the attention of the Company Secretary. The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda. The Company will check the Requisition and the identity and shareholding of the Eligible Shareholder(s) will be verified with the Company’s branch share registrar in Hong Kong.

If the Requisition is found to be proper and in order, the Board will convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not

in order, the Eligible Shareholder(s) concerned will be advised of the outcome and accordingly, the Board will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM. If within 21 days of the deposit of the Requisition the Board fails to proceed to convene such meeting, the requisitioner(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

### PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRIES TO THE BOARD

For putting forward any enquiries to the Board, shareholders may send their enquiries or requests to the following:

Address: 633 Zhongke Road, Zhangjiang Hi-Tech Park, Pudong New Area, Shanghai 201210, China  
Email: ir@wison.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders’ information may be disclosed as required by law.

## Corporate Governance Report

### SHAREHOLDERS COMMUNICATION POLICY

The Company is committed to promoting and maintaining transparent, accurate and open communication with its shareholders and other stakeholders. It has established a shareholders communication policy (the “**Shareholders Communication Policy**”) to streamline policies and procedures for provision of appropriate and timely information about the Company to the shareholders, as well as for them to engage actively with the Company and to exercise their rights as shareholders in an informed manner. According to the Shareholders Communication Policy, information of the Company shall be communicated to its shareholders mainly through annual reports, interim reports, annual general meetings and other general meetings that may be convened, as well as other publications and corporate communications on the website of the Company and the website of the Stock Exchange.

Enquiries may be put to the Board by contacting the Company’s Investor Relations Department through email at [ir@wison.com](mailto:ir@wison.com) or directly by raising the questions at an annual general meeting or extraordinary general meeting.

All Directors (including non-executive Directors) and the external auditor of the Company also attended the 2025 annual general meeting of the Company held on 6 June 2025 to solicit and understand the views of shareholders and stakeholders and to answer questions raised by them.

The Board regularly reviews the implementation and effectiveness of the Shareholders Communication Policy to ensure that it reflects current best practices in communications with the shareholders and the investment community. The most recent review was conducted in March 2026 and the effectiveness of the Shareholders Communication Policy was confirmed.

### CONSTITUTIONAL DOCUMENTS

There was no change in the Company’s amended and restated memorandum and articles of association during the year ended 31 December 2025.

## Independent Auditor's Report



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### To the shareholders of Wison Engineering Services Co. Ltd.

*(Incorporated in the Cayman Islands with limited liability)*

### Opinion

We have audited the consolidated financial statements of Wison Engineering Services Co. Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 87 to 218, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for opinion

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



## Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying consolidated financial statements.

## Independent Auditor's Report



### Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Revenue recognition and measurement</i></p> <p>The Group provides engineering, procurement and construction management services. Revenue from construction contracts is recognised using the input method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract, which requires significant management estimates.</p> <p>Relevant disclosures are included in notes 4 and 6 to the consolidated financial statements.</p>	<p>Our procedures in relation to the cost and revenue recorded under the percentage-of-completion method by the Group included: (i) discussing the status of significant projects in progress with management and assessing management's estimates of the total budget of contract costs and forecast estimated costs to completion, taking into account the historical records of such estimates; (ii) reviewing samples of the construction contracts and variation orders to evaluate the Group's judgement in identifying the contract and performance obligations, and determining the transaction price considering the variable consideration; (iii) checking the related project documents, such as invoices, contracts with subcontractors, variation orders between the Group and subcontractors and the independent surveyor's assessment on the progress of the work performed by the subcontractors for the significant projects; (iv) testing on a sample basis the actual costs incurred on construction works during the reporting period and performing cut-off testing procedures to check whether costs had been recognised in the appropriate period; and (v) recalculating the revenue recognised by the Group based on the estimated progress of the construction works.</p>



**Key audit matters (Continued)**

Key audit matter	How our audit addressed the key audit matter
<p><i>Recoverability of trade receivables and contract assets</i></p> <p>As at 31 December 2025, trade receivables and contract assets of the Group amounted to RMB1,553,625,000 and RMB750,706,000, respectively. As at 31 December 2025, provisions for impairment of RMB715,708,000 and RMB371,204,000 were made for trade receivables and contract assets, respectively. The expected credit loss assessment of trade receivables and contract assets involves management's significant judgement and estimation, such as those regarding the existence of disputes, historical payment records, forward-looking factors and any other available information that may impact the estimated expected credit losses.</p> <p>Relevant disclosures are included in notes 4, 21 and 23 to the consolidated financial statements.</p>	<p>Our procedures in relation to the recoverability of trade receivables and contract assets included (i) assessing and testing the Group's processes and controls relating to the monitoring of trade receivables and contract assets, and the Group's granting of credit terms and contract terms relating to billing milestones; (ii) evaluating the Group's provisions for trade receivables and contract assets by assessing the cash settlements from customers subsequent to the year end, the existence of disputes, historical payment records, historical credit loss experience and forward-looking factors; (iii) testing on a sample basis the accuracy of ageing categories of trade receivables based on relevant invoices and construction contracts; (iv) obtaining and testing the historical observed default rates prepared by the Group; and (v) checking the calculation of expected credit losses based on the methodology adopted by the Group and assessing the adequacy of the Group's disclosures in the financial statements.</p>

## Independent Auditor's Report



### Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of a building and an investment property</i></p> <p>The Group measures its building and investment property situated in the People's Republic of China (the "PRC") under the revaluation model. As at 31 December 2025, the fair values of the investment property and the building amounted to RMB3,464,643,000 and RMB20,379,000, respectively, which in aggregate represented 34% of the Group's total assets, after taking into account judgements associated with determining their fair values.</p> <p>Relevant disclosures are included in notes 13 and 14 to the consolidated financial statements.</p>	<p>Our procedures in relation to the valuation of the building and the investment property stated at fair value included: (i) evaluating the competence, capabilities and objectivity of the external valuers engaged by the Group; (ii) obtaining an understanding of the valuation processes and significant assumptions from the management of the Group and its valuer; (iii) checking related inputs applied into the valuation and involving our internal valuation specialists to assist us in reviewing the work of the external valuers and assessing the underlying assumptions, such as comparing them to external market rents and yield rates if available; and (iv) evaluating the adequacy of the disclosures of the valuation of the building and the investment property in the consolidated financial statements.</p>



### **Other information included in the Annual Report**

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the sections "Business Overview" and "Management Discussion and Analysis" on pages 8 to 31, prior to the date of our auditor's report, and we expect to obtain the other sections of the Annual Report after the date of our auditor's report.

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

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

### **Responsibilities of the directors for the consolidated financial statements**

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

## Independent Auditor's Report



### **Responsibilities of the directors for the consolidated financial statements (Continued)**

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intends to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## Auditor's responsibilities for the audit of the consolidated financial statements (*Continued*)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## Independent Auditor's Report



### **Auditor's responsibilities for the audit of the consolidated financial statements (*Continued*)**

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Wai Ling, (practising certificate number: P05274).

### **Ernst & Young**

*Certified Public Accountants*

Hong Kong

26 March 2026

## Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	6	<b>7,604,649</b>	5,647,335
Cost of sales		<b>(6,997,462)</b>	(5,202,119)
<b>Gross profit</b>		<b>607,187</b>	445,216
Other income and gains	6	<b>184,400</b>	205,536
Selling and distribution expenses		<b>(32,840)</b>	(38,692)
Administrative expenses		<b>(199,066)</b>	(222,982)
(Impairment losses)/reversal of impairment losses on financial and contract assets		<b>(74,162)</b>	29,385
Other expenses		<b>(254,130)</b>	(192,077)
Finance costs	7	<b>(50,891)</b>	(81,623)
Share of profits and losses of associates		<b>1,252</b>	1,253
<b>PROFIT BEFORE TAX</b>	8	<b>181,750</b>	146,016
Income tax expense	10	<b>(36,349)</b>	(11,343)
<b>PROFIT FOR THE YEAR</b>		<b>145,401</b>	134,673
Attributable to:			
Owners of the parent		<b>142,392</b>	141,626
Non-controlling interests		<b>3,009</b>	(6,953)
		<b>145,401</b>	134,673
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	12		
— Basic		<b>RMB3.50 cents</b>	RMB3.48 cents
— Diluted		<b>RMB3.49 cents</b>	RMB3.48 cents

## Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
<b>PROFIT FOR THE YEAR</b>	<b>145,401</b>	134,673
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<b>(12,552)</b>	(3,530)
<b>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods</b>	<b>(12,552)</b>	(3,530)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	<b>46,749</b>	24,512
Income tax effect	<b>(93)</b>	1,190
	<b>46,656</b>	25,702
Loss on property revaluation	<b>(780)</b>	(513)
Income tax effect	<b>117</b>	77
	<b>(663)</b>	(436)
Share of other comprehensive income of an associate	<b>22,613</b>	48,071
<b>Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>	<b>68,606</b>	73,337
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>56,054</b>	69,807
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>201,455</b>	204,480
Attributable to:		
Owners of the parent	<b>198,446</b>	211,433
Non-controlling interests	<b>3,009</b>	(6,953)
	<b>201,455</b>	204,480

# Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	31,838	46,676
Investment property	14	3,464,643	3,484,231
Other non-current assets	20, 22, 23	67,336	143,198
Right-of-use assets	15(a)	23,040	13,790
Goodwill	16	15,752	15,752
Intangible assets	17	20,362	25,959
Long-term prepayments	22	231	417
Investments in associates	18	539,099	259,734
Equity investments designated at fair value through other comprehensive income	19	35,550	29,162
<b>Total non-current assets</b>		<b>4,197,851</b>	4,018,919
<b>CURRENT ASSETS</b>			
Equity investments designated at fair value through other comprehensive income	19	276,787	266,426
Inventories	20	179,906	426,174
Trade receivables	21	837,917	511,368
Bills receivable		38,118	35,364
Contract assets	23	379,502	989,060
Prepayments, other receivables and other assets	22	1,035,008	1,498,020
Due from fellow subsidiaries	32	43,929	64,807
Due from an associate	32	1,000	–
Time deposits	24	914,597	1,746,566
Cash and bank balances	24	2,223,049	2,737,422
<b>Total current assets</b>		<b>5,929,813</b>	8,275,207
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	25	2,947,656	2,764,626
Other payables and accruals	26	2,397,988	4,012,855
Interest-bearing bank borrowings	27	306,653	595,015
Lease liabilities	15(b)	5,780	16,343
Due to fellow subsidiaries	32	18,316	329
Due to the ultimate holding company	32	2	–
Due to an associate	32	630	630
Tax payable		186,748	154,839
<b>Total current liabilities</b>		<b>5,863,773</b>	7,544,637

## Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>NET CURRENT ASSETS</b>		<b>66,040</b>	730,570
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,263,891</b>	4,749,489
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15(b)	<b>15,788</b>	1,529
Interest-bearing bank borrowings	27	<b>575,000</b>	502,500
Long-term payables	25	<b>147,169</b>	43,191
Deferred tax liabilities	28	<b>395,406</b>	398,465
Government grants	29	<b>3,595</b>	3,725
Other non-current liabilities	26	<b>269,299</b>	1,146,816
<b>Total non-current liabilities</b>		<b>1,406,257</b>	2,096,226
<b>Net assets</b>		<b>2,857,634</b>	2,653,263
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	30	<b>330,578</b>	330,578
Treasury shares	30	<b>(3,515)</b>	–
Reserves	30	<b>2,549,223</b>	2,344,346
		<b>2,876,286</b>	2,674,924
<b>Non-controlling interests</b>		<b>(18,652)</b>	(21,661)
<b>Total equity</b>		<b>2,857,634</b>	2,653,263

**Zhou Hongliang**  
Director

**Li Dun**  
Director

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent										Total equity RMB'000
	Share capital RMB'000 (note 30)	Share premium RMB'000 (note 30)	Capital reserve* RMB'000 (note 30)	Statutory reserve* RMB'000 (note 30)	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Asset revaluation reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	
At 1 January 2024	330,578	869,201	(101,206)	105,644	2,322	2,239,488	(7,639)	(974,897)	2,463,491	(14,708)	2,448,783
Profit for the year	-	-	-	-	-	-	-	141,626	141,626	(6,953)	134,673
Other comprehensive income for the year:											
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	25,702	-	-	-	25,702	-	25,702
Share of other comprehensive income of an associate	-	-	-	-	48,071	-	-	-	48,071	-	48,071
Loss on property revaluation, net of tax	-	-	-	-	-	(436)	-	-	(436)	-	(436)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(3,530)	-	(3,530)	-	(3,530)
Total comprehensive income for the year	-	-	-	-	73,773	(436)	(3,530)	141,626	211,433	(6,953)	204,480
Depreciation transfer for a property	-	-	-	-	-	(573)	-	573	-	-	-
Transfer to statutory reserve	-	-	-	594	-	-	-	(594)	-	-	-
At 31 December 2024	330,578	869,201	(101,206)	106,238	76,095	2,238,479	(11,169)	(833,292)	2,674,924	(21,661)	2,653,263

	Attributable to owners of the parent												
	Share capital RMB'000 (note 30)	Treasury shares RMB'000 (note 30)	Share premium RMB'000 (note 30)	Share-based payment reserve* RMB'000 (note 31)	Capital reserve* RMB'000 (note 30)	Statutory reserve* RMB'000 (note 30)	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Asset revaluation reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Accumulated losses* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	330,578	-	869,201	-	(101,206)	106,238	76,095	2,238,479	(11,169)	(833,292)	2,674,924	(21,661)	2,653,263
Profit for the year	-	-	-	-	-	-	-	-	-	142,392	142,392	3,009	145,401
Other comprehensive income for the year:													
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	46,656	-	-	-	46,656	-	46,656
Share of other comprehensive income of an associate	-	-	-	-	-	-	22,613	-	-	-	22,613	-	22,613
Loss on property revaluation, net of tax	-	-	-	-	-	-	-	(663)	-	-	(663)	-	(663)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(12,552)	-	-	(12,552)	-	(12,552)
Total comprehensive income for the year	-	-	-	-	-	-	69,269	(663)	(12,552)	142,392	198,446	3,009	201,455
Depreciation transfer for a property	-	-	-	-	-	-	-	(551)	-	551	-	-	-
Shares repurchased for a shareward scheme	-	(3,515)	-	-	-	-	-	-	-	-	(3,515)	-	(3,515)
Equity-settled share-based payment expenses	-	-	-	6,431	-	-	-	-	-	-	6,431	-	6,431
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	(30,000)	-	-	30,000	-	-	-
Transfer to statutory reserve	-	-	-	-	-	(7,010)	-	-	-	7,010	-	-	-
At 31 December 2025	330,578	(3,515)	869,201	6,431	(101,206)	99,228	115,364	2,237,265	(23,721)	(653,339)	2,876,286	(18,652)	2,857,634

\* These reserve accounts comprised the consolidated reserves of RMB2,549,223,000 and RMB2,344,346,000 in the consolidated statements of financial position as at 31 December 2025 and 2024, respectively.

## Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		181,750	146,016
Adjustments for:			
Depreciation of property, plant and equipment	8, 13	11,466	7,213
Depreciation of right-of-use assets	8, 15(a)	12,532	13,382
Amortisation of intangible assets	8, 17	8,126	7,993
Recognition of government grants	6, 8, 29	(3,996)	(4,015)
Share of profits and losses of associates		(1,252)	(1,253)
Net foreign exchange losses/(gains)		28,536	(6,167)
Dividend income from equity investments designated at fair value through other comprehensive income	6, 8	(20,293)	(15,674)
Fair value losses/(gains) on an investment property	8, 14	19,588	(8,515)
Gain on acquisition of an associate	8	(500)	–
Gain on disposal of items of property, plant and equipment	6, 8	(92)	(236)
Write-down of inventories to net realisable value	8	(61,991)	57,232
Impairment/(reversal of impairment) losses of trade receivables, net	8, 21	141,173	(21,374)
Reversal of impairment losses of contract assets, net	8, 23	(68,196)	(9,010)
Impairment losses of other receivables, net	8, 22	1,185	999
Equity-settled share-based payment expenses		6,431	–
Finance costs	7	50,891	81,623
Interest income	6	(50,464)	(24,549)
		<b>254,894</b>	223,665
Decrease/(increase) in inventories		248,236	(419,616)
(Increase)/decrease in trade and bills receivables		(470,476)	42,779
Decrease/(increase) in prepayments, other receivables and other assets		451,062	(247,194)
Decrease in contract assets		588,422	742,057
Decrease in amounts due from fellow subsidiaries		20,878	15,682
Increase in an amount due from an associate		(1,000)	–
Increase in an amount due to the ultimate holding company		2	–
Increase/(decrease) in amounts due to fellow subsidiaries		(2,013)	(11)
Receipt of government grants	29	3,866	3,885
Increase in trade and bills payables		301,156	15,622
(Decrease)/increase in other payables and accruals		(2,398,039)	2,596,898
(Increase)/decrease in pledged bank balances and time deposits		(247,709)	158,627
<b>Cash (used in)/generated from operations</b>		<b>(1,250,721)</b>	3,132,394
Interest received		50,464	24,549
Interest paid		(44,537)	(65,714)
Tax paid		(7,475)	(6,309)
<b>Net cash flows (used in)/from operating activities</b>		<b>(1,252,269)</b>	3,084,920

## Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend income from equity investments designated at fair value through other comprehensive income	6,8	20,293	15,674
Purchases of items of property, plant and equipment		(7,627)	(14,205)
Purchase of intangible assets		(2,121)	(8,506)
Payment for acquisition of an equity interest in an associate		(100,000)	(135,000)
Proceeds from disposal of property, plant and equipment		2,717	1,941
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		30,000	–
Proceeds/(withdrawal) of time deposits with original maturity of more than three months		421,396	(573,794)
Proceeds from capital reduction in an associate		–	10,209
<b>Net cash flows from/(used) in investing activities</b>		<b>364,658</b>	<b>(703,681)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		350,000	57,490
Repayment of bank loans		(565,862)	(50,084)
Decrease/(increase) in pledged bank balances	38	46,725	(45,167)
Principal portion of lease payments	38(b), (c)	(18,086)	(13,753)
Shares repurchased	30, 38	(3,515)	–
<b>Net cash flows used in financing activities</b>		<b>(190,738)</b>	<b>(51,514)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,078,349)</b>	<b>2,329,725</b>
Cash and cash equivalents at beginning of year		3,184,202	848,272
Effect of foreign exchange rate changes, net		(47,581)	6,205
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>2,058,272</b>	<b>3,184,202</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		2,223,049	2,737,422
Non-pledged time deposits with original maturity of less than three months		424,223	704,802
Less: Pledged bank balances		(568,940)	(239,749)
Frozen and unpledged cash balances		(20,060)	(18,273)
<b>CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS</b>		<b>2,058,272</b>	<b>3,184,202</b>

# Notes to Financial Statements

Year ended 31 December 2025

## 1. CORPORATE INFORMATION

The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Wiscon Engineering Investment Limited (“Wiscon Investment”) is the immediate holding company of the Company. In the opinion of the directors, Wiscon Group Holding Limited (“Wiscon Holding”) is the ultimate holding company of the Company. Wiscon Holding and Wiscon Investment are exempted companies with limited liability incorporated in the British Virgin Islands.

The Group is principally engaged in the provision of project solutions to petrochemical and coal-to-chemicals producers in terms of design, construction and commissioning of their production facilities through technology consultancy, engineering, procurement and construction management services in the People’s Republic of China (“PRC”) and overseas.

### Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Wiscon Engineering Technology Limited (“Wiscon Technology”)	British Virgin Islands (“BVI”)	United States dollar (“US\$”) 1	100	–	Investment holding
Wiscon Energy Engineering (Hong Kong) Limited (“Wiscon Energy (HK)”)	Hong Kong	Hong Kong dollar (“HK\$”) 401,713,600	–	100	Investment holding/import and export sale of equipment and parts/provision of engineering, procurement and construction management services
惠生工程(中國)有限公司* (Wiscon Engineering Limited, “Wiscon Engineering”)	PRC/Chinese mainland	Renminbi (“RMB”) 510,000,000	–	100	Provision of engineering, procurement and construction management services
江蘇惠生建設科技有限公司** (Jiangsu Wiscon Construction Technology Company Limited, “Jiangsu Wiscon”)	PRC/Chinese mainland	RMB120,800,000	–	100	Provision of procurement and construction management services

\* Wiscon Engineering is registered as a Sino-foreign co-operative enterprise under PRC law.

\*\* Jiangsu Wiscon is registered as a domestic enterprise under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

# Notes to Financial Statements

Year ended 31 December 2025

## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments, buildings and leasehold land which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

# Notes to Financial Statements

Year ended 31 December 2025

## 2. ACCOUNTING POLICIES (*continued*)

### 2.1 BASIS OF PREPARATION (*continued*)

#### **Basis of consolidation (*continued*)**

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## Notes to Financial Statements

Year ended 31 December 2025

## 2. ACCOUNTING POLICIES (continued)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>2</sup>
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

# Notes to Financial Statements

Year ended 31 December 2025

## 2. ACCOUNTING POLICIES (*continued*)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (*continued*)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

## 2. ACCOUNTING POLICIES *(continued)*

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS *(continued)*

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

# Notes to Financial Statements

Year ended 31 December 2025

## 2. ACCOUNTING POLICIES (continued)

### 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

*Annual Improvements to IFRS Accounting Standards — Volume 11* set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

### 3. MATERIAL ACCOUNTING POLICIES

#### Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the associate is included as part of the Group's investments in the associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### **Business combinations and goodwill *(continued)***

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### **Business combinations and goodwill *(continued)***

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

#### **Fair value measurement**

The Group measures its investment property and equity investments at fair value at the end of each reporting period. 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, financial assets, deferred tax assets and an investment property), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### **Impairment of non-financial assets *(continued)***

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired assets, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### **Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 Group or of a parent of the Group;

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Related parties *(continued)*

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group 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;
  - (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); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (*continued*)

#### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets classified held for sale”. 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.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset’s original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives or annual rates used for this purpose are as follows:

Building	30 years
Plant and machinery	20%
Motor vehicles	25%
Office equipment	20% to 33.33%
Leasehold improvements	Over the shorter of the lease terms and remaining useful life

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Property, plant and equipment and depreciation *(continued)*

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on disposal or retirement of an item of property, plant and equipment recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

#### Investment property

Investment property is interests in land and a building (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such property is stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment property are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with IAS 16 *Property, Plant and Equipment*.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (*continued*)

#### **Intangible assets (other than goodwill)**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

#### **Software and licence**

Software and licence are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 2 to 10 years.

#### **Research and development costs**

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

#### **Leases**

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

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

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Leases *(continued)*

##### Group as a lessee *(continued)*

##### **(a) Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at fair value or cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Properties	Over the shorter of the lease terms and the estimate useful lives
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### **(b) Lease liabilities**

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Leases *(continued)*

##### Group as a lessee *(continued)*

##### **(c) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and motor vehicles that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

##### Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

##### Investments and other financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Investments and other financial assets *(continued)*

##### Initial recognition and measurement *(continued)*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Investments and other financial assets *(continued)*

##### **Financial assets designated at fair value through other comprehensive income (equity investments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

##### **Financial asset at fair value through profit or loss**

Financial asset at fair value through profit or loss is carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

##### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### **Derecognition of financial assets *(continued)***

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### **General approach**

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (*continued*)

#### Impairment of financial assets (*continued*)

##### General approach (*continued*)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

##### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For trade receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, an amount due to an associate, amounts due to fellow subsidiaries, and interest-bearing bank and other borrowings.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

##### Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

##### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (*continued*)

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and in case of finished goods, comprises direct materials, direct labour and appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

### 3. MATERIAL ACCOUNTING POLICIES (*continued*)

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

# Notes to Financial Statements

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES *(continued)*

### **Income tax *(continued)***

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

### **Revenue recognition**

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

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Revenue recognition *(continued)*

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

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

##### **(a) Construction services**

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

# Notes to Financial Statements

Year ended 31 December 2025

## 3. MATERIAL ACCOUNTING POLICIES *(continued)*

### Revenue recognition *(continued)*

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

##### **(b) Provision of design, feasibility research, consulting and technical services**

The service revenue from the provision of design, feasibility research, consulting and technical services is recognised over time, using the approach of input method to measure progress towards complete satisfaction of the services, because the Group has an enforceable right to payment for performance completed to date. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs to complete the services.

#### Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

#### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

#### Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

#### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

#### Cost to obtain a contract

The Company pays sales commission to the third parties for obtaining EPC contracts. The Company presents these costs in the statement of financial position as work in progress under inventories. The capitalised cost to obtain a contract is amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

#### Share-based payments

The Company operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 31 to the financial statements.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Share-based payments *(continued)*

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Other employee benefits

##### Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Schemes are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiary which operates in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

##### Termination benefits

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

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., 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. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

##### Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (*continued*)

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas branches, subsidiaries and joint operation are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rate prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

## Notes to Financial Statements

Year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### Foreign currencies *(continued)*

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries and branches are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

# Notes to Financial Statements

Year ended 31 December 2025

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

### Judgements (*continued*)

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

##### (a) *Determining the method to estimate variable consideration and assessing the constraint for construction services*

The Group seeks to collect claims from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract, which give rise to variable consideration. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for claims in construction services, given there is a wide range of possible outcomes which are subject to negotiations with third parties.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, current negotiations with customers, profitability of the head contracts of the customers and the current economic conditions.

#### Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses of RMB2,035,576,000 (2024: RMB1,809,384,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB334,500,000. Further details are contained in note 28 to the financial statements.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

### Judgements *(continued)*

#### Property lease classification — Group as lessor

The Group has entered into property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the property and the present value of the minimum lease payments not amounting to substantially all the fair value of the property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

#### Classification between investment property and owner-occupied property

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

#### 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 described below:

#### Variable considerations for claims to customers

The Group estimates variable considerations for claims to be included in the transaction price for the provision of construction services.

The Group has developed a statistical model for estimating expected successful claims. The model used the historical claims data including the historical experiences with the same customer, profitability of the head contracts of the customers and economic conditions to estimate expected successful claims percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical successful claims pattern will impact the expected successful claims percentages estimated by the Group.

## Notes to Financial Statements

Year ended 31 December 2025

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

#### *Estimation uncertainly (continued)*

##### **Variable considerations for claims to customers *(continued)***

The Group updates its assessment of expected successful claims quarterly. Estimates of expected successful claims are sensitive to changes in circumstances and the Group's past experience regarding negotiation of claims may not be representative of the actual outcome in the future.

##### **Impairment of goodwill**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the asset and the cash-generating unit to which the asset is allocated. Management considers that the goodwill should be allocated to the Group's operating segment (cash-generating unit). Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the asset or the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB15,752,000. Further details are given in note 16.

##### **Provision for expected credit losses on trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by industry type).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., the average default rate of the corporate credit debts) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction service sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 21 and note 23 to the financial statements, respectively.

## Notes to Financial Statements

Year ended 31 December 2025

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

#### Estimation uncertainly *(continued)*

##### **Impairment of non-financial assets (other than goodwill)**

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### **Percentage of completion of construction works**

The Group recognises revenue according to the input method, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both revenue and cost in the budget prepared for each contract as the contract progresses.

##### **Estimation of total budgeted costs and cost to completion for construction contracts**

Total budgeted costs for construction contracts comprise (i) direct material costs, (ii) costs of subcontracting and direct labour, and (iii) an appropriation of variable and fixed construction overheads. In estimating the total budgeted costs for construction contracts, management makes reference to information such as (i) current offers from subcontractors and suppliers, (ii) recent offers agreed with subcontractors and suppliers, and (iii) professional estimation on construction and material costs.

# Notes to Financial Statements

Year ended 31 December 2025

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

### *Estimation uncertainly (continued)*

#### **Fair value of unlisted equity investments**

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 36 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2025 was RMB41,387,000 (2024: RMB57,482,000). Further details are included in note 19 to the financial statements.

#### **Fair value of a building and an investment property**

As described in notes 13 and 14 to the financial statements, the building and investment property located in Chinese mainland were revalued at the end of the reporting period by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period. Further details, including the valuation technique and key assumptions used for fair value measurement, are set out in notes 13 and 14 to the financial statements.

#### **Corporate income tax**

The Group is subject to corporate income taxes in various regions. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimates and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

## Notes to Financial Statements

Year ended 31 December 2025

### 5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- Engineering, procurement and construction (“EPC”); and
- Engineering, consulting and technical services

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, non-lease-related finance costs, dividend income, fair value gains/losses from the Group’s financial instruments, share of profits and losses of associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, investment property, right-of-use assets, goodwill, intangible assets, investments in associates, deferred tax assets, long-term prepayments, amounts due from fellow subsidiaries, an amount due from an associate, prepayments, other receivables and other assets, equity investments designated at fair value through other comprehensive income, time deposits and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude other payables and accruals, interest-bearing bank borrowings, amounts due to fellow subsidiaries, an amount due to the ultimate holding company, an amount due to an associate, tax payable, lease liabilities, government grants and deferred tax liabilities as these liabilities are managed on a group basis.

Intersegment sales are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

## Notes to Financial Statements

Year ended 31 December 2025

### 5. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2025	EPC RMB'000	Engineering, consulting and technical services RMB'000	Total RMB'000
<b>Segment revenue (note 6)</b>			
Sales to external customers	7,381,375	223,274	7,604,649
Intersegment sales	274,591	–	274,591
<b>Total segment revenue</b>	<b>7,655,966</b>	<b>223,274</b>	<b>7,879,240</b>
<i>Reconciliation:</i>			
Elimination of intersegment sales			(274,591)
Revenue			<b>7,604,649</b>
<b>Segment results</b>	<b>451,517</b>	<b>63,697</b>	<b>515,214</b>
<i>Reconciliation:</i>			
Unallocated income			184,400
Unallocated expenses			(487,654)
Unallocated finance costs (other than interest on lease liabilities)			(31,462)
Share of profits and losses of associates			1,252
Profit before tax			<b>181,750</b>
<b>Segment assets</b>	<b>2,392,726</b>	<b>215,334</b>	<b>2,608,060</b>
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(207,830)
Corporate and other unallocated assets			7,727,434
Total assets			<b>10,127,664</b>
<b>Segment liabilities</b>	<b>4,546,266</b>	<b>206,898</b>	<b>4,753,164</b>
<i>Reconciliation:</i>			
Elimination of intersegment payables			(206,958)
Corporate and other unallocated liabilities			2,723,824
Total liabilities			<b>7,270,030</b>
<b>Other segment information</b>			
Impairment losses recognised in the statement of profit or loss, net	(3,045)	(14,031)	(10,986)

## Notes to Financial Statements

Year ended 31 December 2025

### 5. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2024	EPC RMB'000	Engineering, consulting and technical services RMB'000	Total RMB'000
<b>Segment revenue (note 6)</b>			
Sales to external customers	5,333,698	313,637	5,647,335
Intersegment sales	4,164	–	4,164
<b>Total segment revenue</b>	<b>5,337,862</b>	<b>313,637</b>	<b>5,651,499</b>
<i>Reconciliation:</i>			
Elimination of intersegment sales			(4,164)
Revenue			5,647,335
<b>Segment results</b>	<b>373,262</b>	<b>73,544</b>	<b>446,806</b>
<i>Reconciliation:</i>			
Unallocated income			205,536
Unallocated expenses			(455,912)
Unallocated finance costs (other than interest on lease liabilities)			(51,667)
Share of profits and losses of associates			1,253
Profit before tax			146,016
<b>Segment assets</b>	<b>3,153,142</b>	<b>275,557</b>	<b>3,428,699</b>
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(16,281)
Corporate and other unallocated assets			8,881,708
Total assets			12,294,126
<b>Segment liabilities</b>	<b>7,360,484</b>	<b>243,752</b>	<b>7,604,236</b>
<i>Reconciliation:</i>			
Elimination of intersegment payables			(15,310)
Corporate and other unallocated liabilities			2,051,937
Total liabilities			9,640,863
<b>Other segment information</b>			
(Impairment losses)/reversal of impairment losses in the statement of profit or loss, net	(35,177)	8,329	(26,848)

## Notes to Financial Statements

Year ended 31 December 2025

### 5. OPERATING SEGMENT INFORMATION (continued)

#### Geographical information

##### (a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Eurasia	3,695,944	1,624,744
Middle East	2,215,275	2,364,890
Chinese mainland	1,667,689	1,598,442
Other regions	25,741	59,259
<b>Total revenue</b>	<b>7,604,649</b>	<b>5,647,335</b>

The revenue information above is based on the locations of the customers.

- (b) As over 90% of the Group's non-current assets are located in Chinese mainland, no further geographical information of the Group's non-current assets is presented.

#### Information about major customers

Revenue from major customers which individually amounted to 10% or more of the Group's revenue is set out below:

	2025	2024
Customer A (EPC segment)	32.9%	28.0%
Customer B (EPC segment)	16.7%	12.6%
Customer C (EPC segment)	15.1%	NA
Customer D (EPC segment)	11.8%	15.9%
Customer E (EPC segment)	NA	19.3%

## Notes to Financial Statements

Year ended 31 December 2025

### 6. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	7,604,649	5,647,335

#### Revenue from contracts with customers

##### (a) Disaggregated revenue information For the year ended 31 December 2025

Segments	EPC RMB'000	Engineering, consulting and technical services RMB'000	Total RMB'000
<b>Types of services</b>			
Construction services	7,381,375	–	7,381,375
Design, feasibility research, consulting and technical services	–	223,274	223,274
Total revenue from contracts with customers	7,381,375	223,274	7,604,649
<b>Geographical markets</b>			
Eurasia	3,651,200	44,744	3,695,944
Middle East	2,215,014	261	2,215,275
Chinese mainland	1,504,669	163,020	1,667,689
Other regions	10,492	15,249	25,741
Total revenue from contracts with customers	7,381,375	223,274	7,604,649
<b>Timing of revenue recognition</b>			
Services transferred over time	7,381,375	223,274	7,604,649

## Notes to Financial Statements

Year ended 31 December 2025

### 6. REVENUE, OTHER INCOME AND GAINS (continued)

#### Revenue from contracts with customers (continued)

##### (a) Disaggregated revenue information (continued)

For the year ended 31 December 2024

Segments	EPC RMB'000	Engineering, consulting and technical services RMB'000	Total RMB'000
<b>Types of services</b>			
Construction services	5,333,698	–	5,333,698
Design, feasibility research, consulting and technical services	–	313,637	313,637
<b>Total revenue from contracts with customers</b>	<b>5,333,698</b>	<b>313,637</b>	<b>5,647,335</b>
<b>Geographical markets</b>			
Middle East	2,363,604	1,286	2,364,890
Eurasia	1,609,023	15,721	1,624,744
Chinese mainland	1,335,278	263,164	1,598,442
Other regions	25,793	33,466	59,259
<b>Total revenue from contracts with customers</b>	<b>5,333,698</b>	<b>313,637</b>	<b>5,647,335</b>
<b>Timing of revenue recognition</b>			
Services transferred over time	5,333,698	313,637	5,647,335

## Notes to Financial Statements

Year ended 31 December 2025

### 6. REVENUE, OTHER INCOME AND GAINS (continued)

#### Revenue from contracts with customers (continued)

##### (a) Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

#### For the year ended 31 December 2025

Segments	EPC RMB'000	Engineering, consulting and technical services RMB'000	Total RMB'000
<b>Revenue from contracts with customers</b>			
External customers	7,381,375	223,274	7,604,649
Intersegment sales	274,591	–	274,591
Subtotal	7,655,966	223,274	7,879,240
Intersegment adjustments and eliminations	(274,591)	–	(274,591)
Total revenue from contracts with customers	7,381,375	223,274	7,604,649

#### For the year ended 31 December 2024

Segments	EPC RMB'000	Engineering, consulting and technical services RMB'000	Total RMB'000
<b>Revenue from contracts with customers</b>			
External customers	5,333,698	313,637	5,647,335
Intersegment sales	4,164	–	4,164
Subtotal	5,337,862	313,637	5,651,499
Intersegment adjustments and eliminations	(4,164)	–	(4,164)
Total revenue from contracts with customers	5,333,698	313,637	5,647,335

## Notes to Financial Statements

Year ended 31 December 2025

### 6. REVENUE, OTHER INCOME AND GAINS (continued)

#### Revenue from contracts with customers (continued)

##### (a) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
<b>Revenue recognised that was included in contract liabilities at the beginning of the reporting period:</b>		
Construction services	3,110,323	1,765,687
Design, feasibility research, consulting and technical services	32,673	39,995
<b>Total</b>	<b>3,142,996</b>	1,805,682

##### (b) Performance obligations

Information about the Group's performance obligations is summarised below:

#### **Construction services**

The performance obligation is satisfied over time as services are rendered and payment is separated in stages upon reaching certain pre-agreed milestones set forth in the agreement which is generally due within 30 to 90 days from the date of billing and payment. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

#### **Provision of design, feasibility research, consulting and technical services**

The performance obligation is satisfied over time as services are rendered and payment is generally separated in stages upon reaching certain pre-agreed milestones set forth in the agreement and short-term advances are normally required before rendering the services.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	5,673,571	6,895,135
After one year	10,717,632	18,824,180
<b>Total</b>	<b>16,391,203</b>	25,719,315

## Notes to Financial Statements

Year ended 31 December 2025

### 6. REVENUE, OTHER INCOME AND GAINS (continued)

#### Revenue from contracts with customers (continued)

	Notes	2025 RMB'000	2024 RMB'000
<b>Other income</b>			
Government grants*	29	3,996	4,015
Bank interest income		50,464	24,549
Dividend income from an equity investment at fair value through other comprehensive income		20,293	15,674
Gross rental income from investment property operating leases	15	103,725	144,066
Others		5,330	1,426
<b>Total other income</b>		<b>183,808</b>	189,730
<b>Gains</b>			
Gain on acquisition of an associate		500	–
Gain on disposal of items of property, plant and equipment		92	236
Fair value gains on an investment property		–	8,515
Gain on foreign exchange differences, net		–	7,055
<b>Total gains</b>		<b>592</b>	15,806
<b>Total other income and gains</b>		<b>184,400</b>	205,536

\* Government grants have been received from the local governments as incentives to promote and accelerate development in the local province. There are no unfulfilled conditions or contingencies relating to these grants.

## Notes to Financial Statements

Year ended 31 December 2025

### 7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on bank loans and other loans	<b>31,462</b>	51,386
Interest on lease liabilities	<b>433</b>	1,162
Interest on discounted bills and letters of credit	–	281
<b>Subtotal</b>	<b>31,895</b>	52,829
Other finance costs:		
Handling fee for letters of guarantee	<b>12,642</b>	12,935
Increase in discounted amounts of financial liabilities arising from the passage of time	<b>6,354</b>	15,859
<b>Total</b>	<b>50,891</b>	81,623

## Notes to Financial Statements

Year ended 31 December 2025

### 8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of services provided*		<b>6,997,462</b>	5,202,119
Depreciation of property, plant and equipment	13	<b>11,466</b>	7,213
Depreciation of right-of-use assets	15(a)	<b>12,532</b>	13,382
Research and development costs		<b>231,406</b>	187,961
Amortisation of intangible assets	17	<b>8,126</b>	7,993
Government grants	29	<b>(3,996)</b>	(4,015)
Impairment losses/(reversal of impairment losses) of financial and contract assets:			
Impairment losses/(reversal of impairment losses) of trade receivables	21	<b>141,173</b>	(21,374)
Reversal of impairment losses of contract assets	23	<b>(68,196)</b>	(9,010)
Impairment losses of other receivables	22	<b>1,185</b>	999
Write-down of inventories to net realisable value		<b>(61,991)</b>	57,232
Gain on disposal of items of property, plant and equipment	6	<b>(92)</b>	(236)
Dividend income from equity investments at fair value through other comprehensive income	6	<b>(20,293)</b>	(15,674)
Gain on acquisition of an associate	6	<b>(500)</b>	–
Lease payments not included in the measurement of lease liabilities	15(c)	<b>3,421</b>	3,803
Fair value (losses)/gains on investment property	14	<b>(19,588)</b>	8,515
Increase in discounted amounts of financial liabilities arising from the passage of time	7	<b>6,354</b>	15,859
Auditor's remuneration		<b>4,930</b>	<b>4,356</b>
Employee benefit expense (including directors' and chief executive's remuneration) (note 9):			
Wages and salaries (including social welfare)		<b>939,532</b>	889,725
Retirement benefit scheme contributions		<b>76,604</b>	69,211
Equity-settled share-based payment		<b>6,431</b>	–
		<b>1,022,567</b>	958,936
Foreign exchange differences, net		<b>19,045</b>	(38)

\* Employee benefit expenses of RMB711,855,000 and RMB704,714,000 were included in the cost of services provided during the years ended 31 December 2025 and 2024, respectively.

## Notes to Financial Statements

Year ended 31 December 2025

### 9. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	2,286	871
Other emoluments:		
Salaries and allowances	5,211	5,370
Performance related bonuses	1,832	2,286
Equity-settled share-based payment expenses	759	–
Pension scheme contributions	213	206
Subtotal	8,015	7,862
Total fees and other emoluments	10,301	8,733

## Notes to Financial Statements

Year ended 31 December 2025

### 9. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

#### (a) Executive directors and independent non-executive directors

	Fees RMB'000	Salaries and allowances RMB'000	Performance related bonuses RMB'000	Equity-settled share-based payment expense RMB'000	Pension scheme contributions RMB'000	Total RMB'000
<b>Year ended 31 December 2025</b>						
Executive directors						
Mr. Zhou Hongliang (i)	332	2,297	918	345	71	3,963
Mr. Zheng Shifeng	332	1,407	478	207	71	2,495
Mr. Li Dun	332	1,274	436	207	71	2,320
Subtotal	996	4,978	1,832	759	213	8,778
Independent non-executive directors						
Mr. Lawrence Lee	310	–	–	–	–	310
Mr. Feng Guohua	310	–	–	–	–	310
Ms. Guo Ruqian	310	–	–	–	–	310
Mr. Shi Donghui (ii)	113	–	–	–	–	113
Mr. Dong Jing (iii)	113	–	–	–	–	113
Mr. Tang Shisheng (iv)	134	233	–	–	–	367
Subtotal	1,290	233	–	–	–	1,523
Total	2,286	5,211	1,832	759	213	10,301

## Notes to Financial Statements

Year ended 31 December 2025

### 9. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

#### (a) Executive directors and independent non-executive directors (continued)

	Fees RMB'000	Salaries and allowances RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
<b>Year ended 31 December 2024</b>					
Executive directors					
Mr. Zhou Hongliang	–	2,479	1,288	71	3,838
Mr. Zheng Shifeng	–	1,630	638	71	2,339
Mr. Zhou Yu (v)	–	283	–	17	300
Mr. Li Dun (vi)	–	978	360	47	1,385
Subtotal	–	5,370	2,286	206	7,862
Independent non-executive directors					
Mr. Lawrence Lee	278	–	–	–	278
Mr. Tang Shisheng	278	–	–	–	278
Mr. Feng Guohua	278	–	–	–	278
Ms. Guo Ruqian (vii)	37	–	–	–	37
Subtotal	871	–	–	–	871
Total	871	5,370	2,286	206	8,733

- (i) Mr. Zhou Hongliang was an executive director and the Chief Executive of the Company.
- (ii) Mr. Shi Donghui was appointed as a non-executive director with effect from 21 August 2025.
- (iii) Ms. Dong Jing was appointed as a non-executive director with effect from 21 August 2025.
- (iv) Mr. Tang Shisheng was retired from a non-executive director with effect from 6 June 2025.
- (v) Mr. Zhou Yu was appointed as an executive director and the Chief Financial Officer with effect from 19 February 2024. He was removed from the above positions on 19 April 2024.
- (vi) Mr. Li Dun was appointed as an executive director and the Chief Financial Officer with effect from 28 August 2024.
- (vii) Ms. Guo Ruqian was appointed as a non-executive director with effect from 15 November 2024.

## Notes to Financial Statements

Year ended 31 December 2025

### 9. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

#### (a) Executive directors and independent non-executive directors (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

During the year, certain directors were granted share options and share awards, in respect of their services to the Group, under the share option scheme and share award scheme of the Company, further details of which are set out in note 31 to the financial statements. The fair values of such options, which have been recognised in the statement of profit or loss over the vesting period, were determined as at the date of grant and the amounts included in the financial statements for the current year are included in the above directors' and chief executive's remuneration disclosures.

#### (b) Five highest paid employees

The numbers of the five highest paid employees of the Group during the year are as follows:

	2025	2024
Directors	3	3
Non-director and non-chief executive employees	2	2
<b>Total</b>	<b>5</b>	<b>5</b>

Details of the remuneration of the directors are set out in (a) above.

Details of the remuneration of the non-director and non-chief executive highest paid employees for the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowances	3,196	2,749
Performance related bonuses	771	1,110
Equity-settled share-based payment expenses	567	–
Pension scheme contributions	143	137
<b>Total</b>	<b>4,677</b>	<b>3,996</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 9. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

#### (b) Five highest paid employees (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	2025	2024
HK\$2,000,001 to HK\$2,500,000	2	2

### 10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

	2025 RMB'000	2024 RMB'000
Current		
Charge for the year	39,384	10,167
Deferred (note 28)	(3,035)	1,176
Total tax charge for the year	36,349	11,343

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group was not subject to any income tax in the Cayman Islands and British Virgin Islands. The Group was not liable for income tax in Indonesia, South Africa, Mexico, Singapore and the United States as the Group did not have any assessable income arising in these jurisdictions during the years ended 31 December 2025 and 2024.

The provision for current income tax in Chinese mainland is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

## Notes to Financial Statements

Year ended 31 December 2025

### 10. INCOME TAX (continued)

Wiscon Engineering was qualified as a “High and New Technology Enterprise” and was entitled to a preferential corporate income tax (“CIT”) rate of 15% from 2023 to 2025. Wiscon Engineering Limited was liable for withholding tax with tax rate of 5% on revenue derived from Thailand, Saudi Arabia and Qatar. Wiscon Engineering Limited has branches in Qatar and Saudi Arabia which are subject to corporate income tax at rates of 10% and 20%, respectively.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese mainland and the jurisdiction of the foreign investor. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008.

A reconciliation of tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective income tax rate for the year is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	<b>181,750</b>	146,016
Tax at the statutory tax rates	<b>53,311</b>	17,497
Lower tax rate enacted by local authority	<b>(36,627)</b>	(8,459)
Effect of withholding tax at 5% on the overseas profits of the Group's PRC subsidiary	<b>1,538</b>	4,662
Expenses not deductible for tax	<b>10,099</b>	3,686
Additional tax deduction	<b>(36,015)</b>	(27,266)
Tax losses utilised from previous periods	<b>(13,863)</b>	(6,590)
Tax losses not recognised	<b>46,201</b>	31,639
Unrecognised deductible temporary differences	<b>11,705</b>	(3,826)
Tax charge at the Group's effective rate	<b>36,349</b>	11,343

The share of tax attributable to associates amounting to RMB3,493,000 (2024: RMB2,058,000) is included in “Share of profits and losses of associates” in the consolidated statement of profit or loss.

## Notes to Financial Statements

Year ended 31 December 2025

### 10. INCOME TAX (*continued*)

#### Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes.

### 11. DIVIDENDS

No final dividends were paid, declared or proposed for the years ended 31 December 2025 and 2024.

### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,073,119,779 (2024: 4,073,767,800) outstanding during the year, as adjusted to reflect the rights issue during the year.

For the year ended 31 December 2025, the calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024.

## Notes to Financial Statements

Year ended 31 December 2025

### 12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

The calculations of basic and diluted earnings per share are based on:

	2025 RMB'000	2024 RMB'000
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	<b>142,392</b>	141,626

	Number of shares	
	2025	2024
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<b>4,073,119,779</b>	4,073,767,800
Effect of dilution — weighted average number of ordinary shares: Share award	<b>10,817,975</b>	—
Total	<b>4,083,937,754</b>	4,073,767,800

## Notes to Financial Statements

Year ended 31 December 2025

### 13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Total RMB'000
<b>31 December 2025</b>						
Cost or valuation:						
At 31 December 2024 and 1 January 2025	22,298	7,941	19,064	35,360	70,348	155,011
Additions	-	-	-	823	4,320	5,143
Deficit on revaluation	(1,919)	-	-	-	-	(1,919)
Disposals	-	-	(449)	(4,893)	(4,789)	(10,131)
Exchange realignment	-	-	(44)	(430)	(1)	(475)
At 31 December 2025	20,379	7,941	18,571	30,860	69,878	147,629
Depreciation:						
At 31 December 2024 and 1 January 2025	-	(6,822)	(15,488)	(27,394)	(58,631)	(108,335)
Provided for the year	(1,139)	(20)	(1,973)	(1,415)	(6,919)	(11,466)
Disposals	-	-	4	235	2,052	2,291
Reversal upon revaluation	1,139	-	-	-	-	1,139
Exchange realignment	-	-	1	7	572	580
At 31 December 2025	-	(6,842)	(17,456)	(28,567)	(62,926)	(115,791)
Net book value:						
At 31 December 2025	20,379	1,099	1,115	2,293	6,952	31,838

## Notes to Financial Statements

Year ended 31 December 2025

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Total RMB'000
<b>31 December 2024</b>						
Cost or valuation:						
At 31 December 2023 and 1 January 2024	1,475,729	7,941	21,210	30,927	68,884	1,604,691
Additions	–	–	1,681	4,469	7,818	13,968
Transfer to investment property	(1,451,753)	–	–	–	–	(1,451,753)
Deficit on revaluation	(1,678)	–	–	–	–	(1,678)
Disposals	–	–	(3,956)	(422)	(7,226)	(11,604)
Exchange realignment	–	–	129	386	872	1,387
At 31 December 2024	22,298	7,941	19,064	35,360	70,348	155,011
Depreciation:						
At 31 December 2023 and 1 January 2024	–	(6,822)	(17,395)	(26,337)	(60,723)	(111,277)
Provided for the year	(1,165)	–	(2,024)	(1,413)	(2,611)	(7,213)
Disposals	–	–	3,941	422	5,536	9,899
Reversal upon revaluation	1,165	–	–	–	–	1,165
Exchange realignment	–	–	(10)	(66)	(833)	(909)
At 31 December 2024	–	(6,822)	(15,488)	(27,394)	(58,631)	(108,335)
Net book value:						
At 31 December 2024	22,298	1,119	3,576	7,966	11,717	46,676

As at 1 January 2024 (“the date of transfer”), certain building and leasehold land of the Group were transferred from property, plant and equipment and right-of-use asset to investment property (note 14 and 15).

As at 31 December 2025, the Group’s other building situated in Chinese mainland was revalued based on valuation performed by Shanghai Orient Appraisal Co., Ltd., an independent firm of professionally qualified valuers, at RMB20,379,000 (31 December 2024: RMB22,298,000), based on its existing use. In the opinion of the directors, the current use of the building in Chinese mainland is its highest and best use.

## Notes to Financial Statements

Year ended 31 December 2025

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

A revaluation deficit of RMB663,000 (2024: RMB436,000), net of tax, resulting from the above valuation, has been debited (2024: debited) to other comprehensive income.

Had the Group's building situated in Chinese mainland been carried at cost less accumulated depreciation, the carrying amount would have been approximately RMB8,945,000 (31 December 2024: RMB9,436,000).

Except for the building situated in Chinese mainland which is stated at valuation, all other property, plant and equipment are stated at cost less accumulated depreciation.

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's buildings and leasehold land situated in Chinese mainland:

	Fair value measurement as at 31 December 2025 using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant Observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Building	–	–	20,379	20,379

	Fair value measurement as at 31 December 2024 using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant Observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Building	–	–	22,298	22,298

## Notes to Financial Statements

Year ended 31 December 2025

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

#### Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	<b>Building</b> RMB'000
At 1 January 2024	1,475,729
Transfer to investment property	(1,451,753)
Depreciation charge	(1,165)
Deficit on revaluation recognised in comprehensive income	(513)
At 31 December 2024 and 1 January 2025	<b>22,298</b>
Depreciation charge	<b>(1,139)</b>
Deficit on revaluation recognised in comprehensive income	<b>(780)</b>
At 31 December 2025	<b>20,379</b>

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Set out below is a summary of the valuation technique used and the key inputs to the valuation of buildings and leasehold land:

	Valuation technique	Significant unobservable inputs	Weighted average	
			2025	2024
Building (note a)	Direct comparison method	Market transaction price (RMB/square metre)	<b>8,500</b>	10,000
		Adjustment on quality of the building	<b>5%</b>	5%

Note:

- (a) The valuation of the building was determined using the direct comparison approach. The most significant inputs to this valuation approach are the market transaction prices of comparable properties nearby and the adjustment on quality of the building.

The fair value measurement is positively correlated to the market transaction price and negatively correlated to the adjustment on quality of the building.

## Notes to Financial Statements

Year ended 31 December 2025

### 14. INVESTMENT PROPERTY

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	3,484,231	–
Transfer from property, plant and equipment and right-of-use asset	–	3,475,716
Net (loss)/gain from a fair value adjustment	(19,588)	8,515
Carrying amount at 31 December	3,464,643	3,484,231

The Group's investment property was revalued on 31 December 2025 based on valuation performed by Shanghai Orient Appraisal Co., Ltd., an independent firm of professionally qualified valuer, at RMB3,464,643,000 (2024: RMB3,484,231,000).

As at 31 December 2025, the Group's investment property with a fair value of approximately RMB3,464,643,000 (2024: RMB3,484,231,000) was pledged to secure general banking facilities granted to the Group (note 27).

The investment property is leased to tenants under operating leases, further summary details of which are included in note 15 to the financial statements.

#### Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment property:

	Fair value measurement as at 31 December 2025 using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Recurring fair value measurement for:				
Office property	–	–	3,464,643	3,464,643

## Notes to Financial Statements

Year ended 31 December 2025

### 14. INVESTMENT PROPERTY (continued)

#### Fair value hierarchy (continued)

	Fair value measurement as at 31 December 2024 using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	

Recurring fair value measurement for:

Office property	–	–	3,484,231	3,484,231
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During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: None).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Office property RMB'000
Carrying amount at 31 December 2023 and 1 January 2024	–
Transfer from property, plant and equipment and right-of-use asset	3,475,716
Net gain from a fair value adjustment recognised in other income and gains in profit or loss	8,515
Carrying amount at 31 December 2024 and 1 January 2025	<b>3,484,231</b>
Net loss from a fair value adjustment recognised in other expenses in profit or loss	<b>(19,588)</b>
Carrying amount at 31 December 2025	<b>3,464,643</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 14. INVESTMENT PROPERTY (continued)

#### Fair value hierarchy (continued)

Below is a summary of the valuation technique used and the key inputs to the valuation of investment property:

	Valuation technique	Significant unobservable inputs	Weighted average	
			2025	2024
Office property	Income method	Average market daily rent (RMB/per square metre)	<b>6.49</b>	6.17
		Long-term vacancy rate	<b>11%</b>	11%
		Yield rate	<b>6.5%</b>	6.5%
		Replacement unit price	<b>11,500</b>	12,200

Note:

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The valuation of the investment property was determined using the income method. The most significant inputs to this valuation approach are the market daily rental of comparable properties nearby, long-term vacancy rate of the building, yield rate of the rentals and replacement unit price of the building.

A significant increase (decrease) in the estimated average market daily rental and yield rate would result in a significant increase (decrease) in the fair value of the investment property. A significant increase (decrease) in the long-term vacancy rate and replacement unit price would result in a significant decrease (increase) in the fair value of the investment property.

## Notes to Financial Statements

Year ended 31 December 2025

### 15. LEASES

#### The Group as a lessee

The Group has lease contracts for various items of properties and motor vehicles used in its operations. Leases of properties generally have lease terms between 1 and 3 years, while motor vehicles generally have lease terms of 12 months or less and/or are individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Properties RMB'000
As at 1 January 2025	22,713
Additions	4,459
Depreciation charge	(13,382)
As at 31 December 2024 and 1 January 2025	<b>13,790</b>
Additions	<b>21,782</b>
Depreciation charge	<b>(12,532)</b>
As at 31 December 2025	<b>23,040</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 15. LEASES (continued)

#### The Group as a lessee (continued)

##### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	17,872	27,166
New leases	21,782	4,459
Accretion of interest recognised during the year	433	1,162
Payments	(18,519)	(14,915)
Carrying amount at 31 December	21,568	17,872
Analysed into:		
Current portion	5,780	16,343
Non-current portion	15,788	1,529

The maturity analysis of lease liabilities is disclosed in note 37 to the financial statements.

##### (c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	433	1,162
Depreciation charge of right-of-use assets	12,532	13,382
Expense relating to short-term leases (included in cost of sales, selling and distribution expenses and administrative expenses)	3,400	3,695
Expense relating to leases of low-value assets (included in administrative expenses)	21	108
Total amount recognised in profit or loss	16,386	18,347

## Notes to Financial Statements

Year ended 31 December 2025

### 15. LEASES (continued)

#### The Group as a lessee (continued)

##### (d) Extension and termination options

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. It is the Group's judgements that it is not necessary to exercise extension and termination options as those leases are being used normally and neither construction of significant leasehold improvements nor significant customisation to the leased asset.

- (e) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 38(c) and 35, respectively, to the financial statements.

#### The Group as a lessor

The Group leases its office property in Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB103,725,000 (2024: RMB144,066,000), details of which are included in note 6 to the financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in the future periods under non-cancellable operating lease with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	<b>38,833</b>	76,092
In the second to fifth years, inclusive	<b>109,383</b>	8,916
<b>Total</b>	<b>148,216</b>	85,008

## Notes to Financial Statements

Year ended 31 December 2025

### 16. GOODWILL

	2025 RMB'000	2024 RMB'000
Carrying amount at the beginning of the year and at the end of the year	<b>15,752</b>	15,752

The carrying amount of goodwill of the Group arose from the acquisition of the business of Henan Chemical Industry Design Institute during 2007.

Goodwill is mainly attributable to the synergies expected to be achieved from integrating Henan Chemical Industry Design Institute into the Group's EPC business.

The total recoverable amount of the goodwill and the CGU containing goodwill is determined from a value-in-use calculation using a cash flow forecast based on financial budgets. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates, budgeted gross margin and expected changes to revenue and direct costs during the year. The directors have estimated the discount rate of 15% (2024:15%) using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Group. The cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2024: 3%) which is based on industry growth forecasts. Changes in revenue and direct costs are based on past practices and expectations of future changes in the market. Management determine the budgeted gross margin based on the gross margin achieved previously and management's expectation on the future trend of the market development. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for 2025 and extrapolates cash flows beyond five years based on an estimated average industry growth rate.

## Notes to Financial Statements

Year ended 31 December 2025

### 17. INTANGIBLE ASSETS

	Software RMB'000	Licence RMB'000	Total RMB'000
<b>31 December 2025</b>			
Cost at 1 January 2025, net of accumulated amortisation	17,672	8,287	25,959
Additions	2,529	–	2,529
Amortisation provided during the year	(5,640)	(2,486)	(8,126)
At 31 December 2025	14,561	5,801	20,362
At 31 December 2025			
Cost	93,474	24,860	118,334
Accumulated amortisation	(78,913)	(19,059)	(97,972)
Net carrying amount	14,561	5,801	20,362
<b>31 December 2024</b>			
Cost at 1 January 2024, net of accumulated amortisation	15,248	10,773	26,021
Additions	7,931	–	7,931
Amortisation provided during the year	(5,507)	(2,486)	(7,993)
At 31 December 2024	17,672	8,287	25,959
At 31 December 2024			
Cost	90,945	24,860	115,805
Accumulated amortisation	(73,273)	(16,573)	(89,846)
Net carrying amount	17,672	8,287	25,959

## Notes to Financial Statements

Year ended 31 December 2025

### 18. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	539,449	259,734

Particulars of the Group's associates are as follows:

Name	Registered capital	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
河南創思特工程監理諮詢有限公司 (Henan Chuangsite Supervisory Consulting Co., Ltd. ("Henan Chuangsite"))	RMB3,000,000	PRC/ Chinese mainland	30%	Supervisory services for construction projects
泰興博惠環保科技發展有限公司 (Taixing Bohui Environmental Technology Development Co., Ltd. ("Taixing Bohui"))	RMB252,143,200	PRC/ Chinese mainland	25%	Research and development service for environmental technology
南京銀鞍嶺秀新材料產業基金合夥企業 (有限合夥) (Nanjing Yin'an Lingxiu New Material Industry Fund (Limited Partnership) ("Yin'an Lingxiu"))	RMB858,000,000	PRC/ Chinese mainland	17.62%	Investment in new materials development businesses
聯泓惠生 (江蘇) 新材料有限公司 (Levima Wiscon (Jiangsu) Advanced Materials Co., Ltd. ("Levima Wiscon"))	RMB700,000,000	PRC/ Chinese mainland	35%	Research and development in new material products

The Group's shareholdings in the associates were held through the wholly-owned subsidiaries of the Company.

## Notes to Financial Statements

Year ended 31 December 2025

### 18. INVESTMENTS IN ASSOCIATES (continued)

Henan Chuangsite, Taixing Bohui, Yin'an Lingxiu and Levima Wison are not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

On 31 August 2025, the Group acquired a 35% interest in Levima Wison from a fellow subsidiary of the Company. The purchase consideration for the acquisition was in the form of cash with RMB255,000,000. The fair value of the net assets of Levima Wison at the date of acquisition was approximately RMB730,000,000, which was based on valuation performed by King Kee Appraisal and Advisory Limited, an independent firm of professionally qualified valuer.

Yin'an Lingxiu and Levima Wison, which are considered material associates of the Group, are the strategic partners of the Group engaged in the investment of new material industry and are accounted for using the equity method.

The following tables illustrate the summarised financial information in respect of Yin'an Lingxiu and Levima Wison adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

#### Yin'an Lingxiu

	2025 RMB'000	2024 RMB'000
Current assets	<b>45,895</b>	279,184
None-current assets	<b>1,098,552</b>	744,121
Current liabilities	<b>(1,437)</b>	–
<b>Net assets</b>	<b>1,143,010</b>	1,023,305
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	<b>17.62%</b>	17.62%
Carrying amount of the investment	<b>201,398</b>	180,306
Revenue	–	–
Loss for the year	<b>(8,629)</b>	(9,503)
Other comprehensive income	<b>128,335</b>	272,822
Total comprehensive income for the year	<b>119,706</b>	263,319
Dividend received	–	10,209

## Notes to Financial Statements

Year ended 31 December 2025

### 18. INVESTMENTS IN ASSOCIATES (continued)

#### Levima Wisom

	2025 RMB'000
Current assets	158,636
None-current assets	1,228,168
Goodwill on acquisition of the associate	32,143
Current liabilities	(50,135)
None-current liabilities	(639,321)
<b>Net assets</b>	<b>729,491</b>
<b>Net assets, excluding goodwill</b>	<b>697,348</b>
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	35%
Group's share of net assets of the associate, excluding goodwill	244,072
Goodwill on acquisition recorded in investments in associates	11,250
Carrying amount of the investment	255,322
Revenue	–
Loss for the period (four months ended 31 December 2025)	(510)
Total comprehensive income for the period (four months ended 31 December 2025)	(510)

The following table illustrates the financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profit for the year	2,951	2,927
Share of the associates' total comprehensive income	2,951	2,927
Aggregate carrying amount of the Group's investments in the associates	82,379	79,428

The Group's other payable balance with an associate is disclosed in note 32.

The Group's trade receivable balance, contract asset balance and contract liability balance and an amount due from an associate are disclosed in notes 21, 23, 26 and 32.

## Notes to Financial Statements

Year ended 31 December 2025

### 19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
<b>Equity investments designated at fair value through other comprehensive income</b>		
Listed equity investments, at fair value (CSSC (Hong Kong) Shipping Company Limited)	<b>270,950</b>	238,106
Unlisted equity investments, at fair value		
山西潞安化工有限公司 (Shanxi Lu'an Chemical Co., Ltd.)	<b>5,837</b>	28,320
安徽寶龍環保科技有限公司 (Anhui Baolong Environmental Technology Co., Ltd.)	<b>5,972</b>	–
興化粵海水務有限公司 (Xinghua Yuehai Water Affairs Co., Ltd.)	<b>26,107</b>	25,806
上海銀鞍股權投資管理有限公司 (Shanghai Yin'an Equity Investment Management Co., Ltd.)	<b>3,471</b>	3,356
	<b>312,337</b>	295,588
Less: Classified as current assets	<b>276,787</b>	266,426
	<b>35,550</b>	29,162
Non-current asset		

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature except those investments are no longer coincided with the Group's investment strategy which have been classified as current assets.

During the year ended 31 December 2025, the Group received dividends in the amounts of RMB20,143,000 (2024: RMB15,674,000) and RMB150,000 (2024: Nil) from CSSC (Hong Kong) Shipping Company Limited and Xinghua Yuehai Water Affairs Co., Ltd., respectively.

## Notes to Financial Statements

Year ended 31 December 2025

### 20. INVENTORIES

	2025 RMB'000	2024 RMB'000
Construction materials, net	<b>122,121</b>	414,274
Work in progress, net	<b>125,121</b>	19,213
	<b>247,242</b>	433,487
Less: Non-current portion of work in progress disclosed in other non-current assets	<b>67,336</b>	7,313
Total	<b>179,906</b>	426,174

### 21. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	<b>1,553,625</b>	1,085,903
Impairment	<b>(715,708)</b>	(574,535)
Net carrying amount	<b>837,917</b>	511,368

The Group's trading terms with its customers are mainly on credit. Trade receivables are non-interest-bearing and on credit terms of a period of 30 to 90 days or the respective retention periods in the contracts. The Group seeks to maintain strict control over its outstanding receivables and minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

## Notes to Financial Statements

Year ended 31 December 2025

### 21. TRADE RECEIVABLES (continued)

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

	2025 RMB'000	2024 RMB'000
Within 1 month	177,780	38,071
2 to 12 months	363,451	201,094
Over 1 year	296,686	272,203
<b>Total</b>	<b>837,917</b>	511,368

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	574,535	597,055
Impairment losses/(reversal of impairment), net (note 8)	141,173	(21,374)
Amount written off as uncollectible	–	(1,146)
<b>At end of year</b>	<b>715,708</b>	574,535

The increase (2024: decrease) in the loss allowance was due to the following significant changes in the gross carrying amount:

- (a) Increase in the loss allowance of RMB44,478,000 (2024: RMB10,587,000) as a result of a net increase (2024: increase) in the gross carrying amount after the settlement of trade receivables and origination of new trade receivables;
- (b) Increase (2024: decrease) in the loss allowance of RMB96,695,000 (2024: RMB31,961,000) as a result of a net increase (2024: decrease) in trade receivables which were past due; and
- (c) Decrease in the loss allowance of nil (2024: RMB1,146,000) as a result of the write-off of certain trade receivables.

## Notes to Financial Statements

Year ended 31 December 2025

### 21. TRADE RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns (i.e., by industry type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

#### As at 31 December 2025

	Ageing				Total
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	7.6%	15.2%	49.5%	91.7%	46.1%
Gross carrying amount (RMB'000)	585,707	164,612	213,828	589,478	1,553,625
Expected credit losses (RMB'000)	44,476	25,049	105,882	540,301	715,708

#### As at 31 December 2024

	Ageing				Total
	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	3.8%	22.0%	48.7%	99.6%	52.9%
Gross carrying amount (RMB'000)	248,605	231,772	174,624	430,902	1,085,903
Expected credit losses (RMB'000)	9,440	51,042	85,047	429,006	574,535

## Notes to Financial Statements

Year ended 31 December 2025

### 21. TRADE RECEIVABLES (continued)

The gross carrying amounts of amounts due from related companies included in the trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
Related companies		
Wiscon Taizhou (as defined in note 32)	121,160	147,631
Taixing Bohui (as defined in note 18)	–	854
Wiscon Offshore Marine Shanghai (as defined in note 32)	–	32,218
Wiscon (China) Investment (as defined in note 32)	–	50
<b>Total</b>	<b>121,160</b>	<b>180,753</b>

The balances with related companies are unsecured, interest-free and repayable on demand.

### 22. PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments	897,451	1,577,254
Deposits and other receivables	141,880	59,090
	<b>1,039,331</b>	1,636,344
Impairment provision	<b>(4,092)</b>	(2,907)
Subtotal	<b>1,035,239</b>	1,633,437
Less: Non-current portion of prepayments disclosed in the other non-current assets	–	135,000
Non-current portion of prepayments disclosed in the long-term prepayments	231	417
<b>Net carrying amount</b>	<b>1,035,008</b>	<b>1,498,020</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 22. PREPAYMENTS AND OTHER RECEIVABLES (continued)

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. The expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied for deposits and other receivables where there were no comparable companies as at 31 December 2025 was 2.9% (2024: 4.9%).

The movements in the loss allowance for impairment of other receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	2,907	1,908
Impairment losses, net (note 8)	1,185	999
At end of year	4,092	2,907

### 23. CONTRACT ASSETS

	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
Contract assets arising from:			
Construction services	585,801	1,376,146	2,120,114
Design, feasibility research, consulting and technical services	164,905	53,199	51,288
Impairment	750,706 (371,204)	1,429,345 (439,400)	2,171,402 (448,410)
Subtotal	379,502	989,945	1,722,992
Less: Contract assets disclosed in the other non-current assets	–	885	123,211
Net carrying amount	379,502	989,060	1,599,781

## Notes to Financial Statements

Year ended 31 December 2025

### 23. CONTRACT ASSETS (continued)

Contract assets are initially recognised for revenue earned from the provision of construction services and design, feasibility research, consulting and technical services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. Upon completion of construction services and design, feasibility research, consulting and technical services and progressing to billing milestone, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 was the result of the decrease in the ongoing sale of construction services and the provision of design, feasibility research, consulting and technical services at the end of the years.

During the year ended 31 December 2025, the Group reversed allowance of RMB68,196,000 for expected credit losses on contract assets (2024: RMB9,010,000). The Group's trading terms and credit policy with customers are disclosed in note 21 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	379,502	989,060
After one year	–	885
<b>Total contract assets</b>	<b>379,502</b>	<b>989,945</b>

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	439,400	448,410
Impairment loss, net* (note 8)	(68,196)	(9,010)
<b>At end of year</b>	<b>371,204</b>	<b>439,400</b>

\* The net impairment loss made for the contract assets will be reclassified to trade receivables when amounts of contract assets are billed or become billable to customers.

## Notes to Financial Statements

Year ended 31 December 2025

### 23. CONTRACT ASSETS (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses on the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on ageing of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by industry type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025	2024
Expected credit loss rate	<b>49.4%</b>	30.7%
Gross carrying amount (RMB'000)	<b>750,706</b>	1,429,345
Expected credit losses (RMB'000)	<b>371,204</b>	439,400

The gross carry amounts of contract assets with related companies are as follows:

	2025 RMB'000	2024 RMB'000
Related companies		
Wiscon Offshore Marine Shanghai (as defined in note 32)	<b>41,161</b>	2,535
Taixing Bohui (as defined in note 18)	<b>40,113</b>	37,469
Wiscon Taizhou (as defined in note 32)	<b>7,615</b>	6,932
Levima Wiscon (as defined in note 18)	<b>6,157</b>	–
Wiscon New Energies (as defined in note 32)	–	324
Total	<b>95,046</b>	47,260

## Notes to Financial Statements

Year ended 31 December 2025

### 24. CASH AND BANK BALANCES AND TIME DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	<b>2,223,049</b>	2,737,422
Time deposits with original maturity of less than three months (including three months)	<b>626,647</b>	704,877
Time deposits with original maturity of more than three months	<b>287,950</b>	1,041,689
Subtotal	<b>3,137,646</b>	4,483,988
Less: Pledged bank balances and time deposits	<b>880,710</b>	681,513
Less: Non-pledged time deposits with original maturity of more than three months	<b>178,604</b>	600,000
Frozen and unpledged bank balances	<b>20,060</b>	18,273
Cash and cash equivalents	<b>2,058,272</b>	3,184,202

At 31 December 2025, bank balances and time deposits of RMB688,165,000 (2024: RMB403,507,000) were placed as guarantee deposits for performance of certain construction contracts and tendering process.

At 31 December 2025, bank balances and time deposits of RMB118,040,000 (2024: RMB124,562,000) were pledged to the banks as security to obtain letters of credit facilities for the purchase of imported equipment.

At 31 December 2025, bank balances and time deposits of RMB11,300,000 (2024: RMB43,408,000) were pledged as security for bill facilities granted by the banks.

At 31 December 2025, bank balances were pledged to a bank as security for forward foreign exchange contracts was nil (2024: RMB1,000).

## Notes to Financial Statements

Year ended 31 December 2025

### 24. CASH AND BANK BALANCES AND TIME DEPOSITS (continued)

At 31 December 2025, bank balances of RMB63,205,000 (2024: RMB109,930,000) were pledged to a bank as security to obtain a bank facility.

At 31 December 2025, bank balances pledged for salary payments to workers according to relevant government regulation was nil (2024: RMB105,000).

At 31 December 2025, certain bank accounts of the Group of RMB20,060,000 (2024: RMB18,273,000) were frozen by certain courts for preservation.

At 31 December 2025, the cash and bank balances of the Group denominated in RMB amounted to RMB2,609,978,000 (2024: RMB2,953,622,000). The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The carrying amounts of cash and cash equivalents and the pledged bank balances and time deposits approximate to their fair values. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

## Notes to Financial Statements

Year ended 31 December 2025

### 25. TRADE AND BILLS PAYABLES

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

	2025 RMB'000	2024 RMB'000
Less than 1 year	<b>1,936,008</b>	1,911,906
1 to 2 years	<b>569,857</b>	328,146
2 to 3 years	<b>262,245</b>	195,384
Over 3 years	<b>249,441</b>	351,256
Subtotal	<b>3,017,551</b>	2,786,692
Less: Long term payables	<b>69,895</b>	22,066
Total	<b>2,947,656</b>	2,764,626

The trade payables are non-interest-bearing and are normally settled on terms within 1 year other than those suppliers granting an extended credit period for more than one year.

## Notes to Financial Statements

Year ended 31 December 2025

### 26. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Contract liabilities	(a)	<b>1,418,806</b>	4,586,163
Accruals		<b>30,378</b>	46,865
Advances from lessees		–	1,011
Other payables	(b)	<b>1,295,377</b>	546,757
Subtotal		<b>2,744,561</b>	5,180,796
Less: Contract liabilities classified as non-current liabilities		<b>269,299</b>	1,146,816
Other payables classified as long-term payables		<b>77,274</b>	21,125
Total		<b>2,397,988</b>	4,012,855

(a) Details of contract liabilities are as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
Construction services	<b>1,346,570</b>	4,493,267	2,137,345
Design, feasibility research, consulting and technical services	<b>72,236</b>	92,896	91,100
Total	<b>1,418,806</b>	4,586,163	2,228,445

Contract liabilities include long-term and short-term advances received to render construction services and design, feasibility research, consulting and technical services. The decrease and increase in contract liabilities in 2025 and 2024 were mainly due to the respective decrease and increase in long-term and short-term advances received from customers in relation to the provision of construction services and design, feasibility research, consulting and technical services at the end of the year.

(b) Other payables are non-interest-bearing and repayable on demand other than the government grant with specified conditions with which the Group must comply during the specified period.

## Notes to Financial Statements

Year ended 31 December 2025

### 26. OTHER PAYABLES AND ACCRUALS (continued)

The amounts of contract liabilities with related companies are as follows:

	2025 RMB'000	2024 RMB'000
Related companies		
Wiscon Offshore Marine Shanghai (as defined in note 32)	3,071	2,188
Levima Wiscon (as defined in note 18)	–	4,625
<b>Total</b>	<b>3,071</b>	<b>6,813</b>

### 27. INTEREST-BEARING BANK BORROWINGS

	2025 RMB'000	2024 RMB'000
<b>Current</b>		
Bank loans — secured	189,747	360,468
Bank loans — unsecured	100,000	175,123
Current portion of long-term bank loans — secured	15,858	59,424
Current portion of long-term bank loans — unsecured	1,048	–
<b>Total — current</b>	<b>306,653</b>	<b>595,015</b>
<b>Non-current</b>		
Bank loans — secured	516,000	502,500
Bank loans — unsecured	59,000	–
<b>Total</b>	<b>881,653</b>	<b>1,097,515</b>

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Year ended 31 December 2025

### 27. INTEREST-BEARING BANK BORROWINGS (continued)

The effective interest rates and maturities of the Group's bank borrowings are as follows:

	2025		2024	
	Effective interest Rate (%)	Maturity	Effective interest Rate (%)	Maturity
Bank loans	<b>2.20 to 3.40</b>	<b>2026 to 2040</b>	3.45 to 4.82	2025 to 2034

The carrying amounts of borrowings are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	<b>881,653</b>	1,097,515

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2025 RMB'000	2024 RMB'000
Fixed interest rate	<b>349,795</b>	475,688
Variable interest rate	<b>531,858</b>	621,827
Total	<b>881,653</b>	1,097,515

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### 27. INTEREST-BEARING BANK BORROWINGS (continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	<b>306,653</b>	595,015
In the second year	<b>74,000</b>	58,500
In the third to fifth years, inclusive	<b>77,500</b>	234,000
Beyond five years	<b>423,500</b>	210,000
<b>Total</b>	<b>881,653</b>	1,097,515

The Group has pledged its right of receiving rental income from a property and sale proceeds from a customer of the Group for future years to obtain the credit facilities with a total amount of RMB63,205,000 as at 31 December 2025 (31 December 2024: RMB109,930,000).

As at 31 December 2025, the Group's investment property with a fair value of approximately RMB3,464,643,000 (31 December 2024: RMB3,484,231,000) was pledged to secure general banking facilities granted to the Group (note 14).

## Notes to Financial Statements

Year ended 31 December 2025

### 28. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

#### Deferred tax liabilities

	2025					
	Right-of use assets RMB'000	Revaluation of building RMB'000	Fair value adjustments investments at fair value through other comprehensive income RMB'000	Withholding taxes arising from distributable profits the PRC subsidiaries RMB'000	Fair value adjustments of investment property RMB'000	Total RMB'000
At 1 January 2025	2,204	1,929	1,443	720	394,373	400,669
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	1,129	(97)	–	–	(2,938)	(1,906)
Deferred tax (credited)/charged to the other comprehensive income during the year	–	(117)	93	–	–	(24)
Gross deferred tax liabilities at 31 December 2025	3,333	1,715	1,536	720	391,435	398,739

#### Deferred tax assets

	2025 Lease liabilities RMB'000
At 1 January 2025	2,204
Deferred tax credited to the statement of profit or loss during the year (note 10)	1,129
Gross deferred tax assets at 31 December 2025	3,333

## Notes to Financial Statements

Year ended 31 December 2025

### 28. DEFERRED TAX (continued)

#### Deferred tax liabilities

	2024					Total RMB'000
	Right-of use assets RMB'000	Revaluation of building RMB'000	Fair value adjustments investments at fair value through other comprehensive income RMB'000	Withholding taxes arising from distributable profits the PRC subsidiaries RMB'000	Fair value adjustments of investment property RMB'000	
At 1 January 2024	5,563	395,203	2,633	720	–	404,119
Transfer	–	(393,096)	–	–	393,096	–
Deferred tax (credited)/charged to the statement of profit or loss during the year (note 10)	(3,359)	(101)	–	–	1,277	(2,183)
Deferred tax credited to the other comprehensive income during the year	–	(77)	(1,190)	–	–	(1,267)
Gross deferred tax liabilities at 31 December 2024	2,204	1,929	1,443	720	394,373	400,669

#### Deferred tax assets

	2024 Lease liabilities RMB'000
At 1 January 2024	5,563
Deferred tax charged to the statement of profit or loss during the year (note 10)	(3,359)
Gross deferred tax assets at 31 December 2024	2,204

## Notes to Financial Statements

Year ended 31 December 2025

### 28. DEFERRED TAX (continued)

#### Deferred tax assets (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	<b>395,406</b>	398,465

The Group has tax losses arising in Hong Kong of RMB103,754,000 (2024: RMB162,805,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in the Chinese mainland of RMB1,690,532,000 (2024: RMB1,419,719,000) that will expire in three to ten years for offsetting against future taxable profits. The Group also has accumulated tax losses arising in the United States, Thailand, Venezuela, South Africa and Saudi Arabia of approximately RMB241,290,000 (2024: RMB226,860,000) which are available for offsetting against future taxable profits in five years to an infinite period.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Tax losses	<b>2,035,576</b>	1,809,384
Deductible temporary differences	<b>1,145,338</b>	1,078,921
Total	<b>3,180,914</b>	2,888,305

## Notes to Financial Statements

Year ended 31 December 2025

### 28. DEFERRED TAX (*continued*)

#### Deferred tax assets (*continued*)

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

At 31 December 2025, there was no significant unrecognised deferred tax liability (2024: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted due to the availability of double taxation relief.

### 29. GOVERNMENT GRANTS

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of the year	3,725	3,855
Received during the year	3,866	3,885
Released to profit or loss (note 6)	(3,996)	(4,015)
Carrying amount at end of the year	3,595	3,725

## Notes to Financial Statements

Year ended 31 December 2025

### 30. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND RESERVES

#### 1) Shares

	2025		2024	
	Number of shares in issue	RMB'000	Number of shares in issue	RMB'000
Authorised:				
Ordinary shares of HK\$0.1 each	20,000,000,000	1,622,757	20,000,000,000	1,622,757
Issued and fully paid:				
Ordinary shares of HK\$0.1 each	4,073,767,800	330,578	4,073,767,800	330,578
Treasury shares held	(9,953,600)	(3,515)	–	–

The ordinary shares of the Company do not have a par value.

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

	Number of shares in issue	RMB'000	Number of treasury shares	RMB'000
At 1 January 2024, 31 December 2024 and 1 January 2025	4,073,767,800	330,578	–	–
Shares repurchased (Note a)	–	–	(9,953,600)	(3,515)
At 31 December 2025	4,073,767,800	330,578	(9,953,600)	(3,515)

Note:

- (a) Based on the Company's instructions, the Trustee (defined in Note 31) purchased 9,953,600 shares of the Company on the Stock Exchange at a total consideration of HK\$3,859,000 (equivalent to RMB3,515,000). No purchased shares were cancelled during the year and the total amount paid for the purchase of the shares of RMB3,515,000 has been charged to the statement of profit or loss of the Company. As at 31 December 2025, the Group had 9,953,600 (2024: Nil) purchased shares classified as treasury shares held for the 2024 Share Award Scheme (note 31) and for raising capital in the future.

## Notes to Financial Statements

Year ended 31 December 2025

### 30. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND RESERVES *(continued)*

#### 2) Share premium account

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

#### 3) Statutory reserve

##### (a) Special reserve account

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside from retained earnings an amount to a safety production reserve at different rates ranging from 1.5% to 2% of the total construction contract revenue recognised for the year. The reserve can be utilised for improvements of safety on the construction work, and the amounts are generally expenses in nature and charged to the consolidated statement of profit or loss as incurred, and the corresponding amounts of the safety production reserve fund were utilised and transferred back to retained earnings until such special reserve was fully utilised.

##### (b) Statutory surplus reserve ("SSR")

In accordance with the Company Law of the PRC and the articles of association of subsidiaries established in the PRC, the Group is required to transfer at least 10% of its profit after tax to its surplus reserve fund, until such reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC and the articles of association of the subsidiaries, this reserve may be capitalised as the registered capital.

The SSR is non-distributable except in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as paid-up capital.

# Notes to Financial Statements

Year ended 31 December 2025

## 31. SHARE-BASED PAYMENTS

### 1) 2022 Share Option Scheme

On 20 December 2022, a share option scheme (the “2022 Share Option Scheme”) of the Company was approved and adopted by the shareholders of the Company. The 2022 Share Option Scheme shall be valid and effective for a period of 10 years commencing from the adoption date of the 2022 Share Option Scheme. Pursuant to the 2022 Share Option Scheme, the board of directors of the Company (the “Board”) may determine to an employee (whether full-time or part-time) or a director of the Company or any of its subsidiaries (the “Eligible Persons under 2022 Share Option Scheme”) to subscribe for shares. An amount of HK\$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

The maximum number of shares which may be issued in respect of all options to be granted under the 2022 Share Option Scheme and any options or awards granted under any other share schemes (the “Other Schemes”) of the Company must not in aggregate exceed 10% of the total number of shares in issue as at the adoption date (the “2022 Scheme Mandate Limit”). The Board may, with the approval of the shareholders in a general meeting, refresh the 2022 Scheme Mandate Limit after three years from the date on which the shareholders approve the last refreshment (or the adoption of the 2022 Share Option Scheme), provided that the total number of shares which may be issued in respect of all options to be granted under the 2022 Share Option Scheme and any options and awards to be granted under any Other Schemes under the 2022 Scheme Mandate Limit as refreshed must not exceed 10% of the number of Shares in issue as at the date on which the shareholders approve the refreshment of the 2022 Scheme Mandate Limit.

The vesting of each tranche of the options as described above is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion, either on a case-by-case basis or generally on Group level performance and individual level performance.

On 2 April 2025, under the 2022 Share Option Scheme, share options were granted to 3 executive directors of the Company and 194 employees of the Group to subscribe for 67,760,000 shares at an exercise price of HK\$0.301 per share. All share options granted will be vested in three tranches as to 40%, 30% and 30% of the aggregate number of shares on 2 April 2026, 2027 and 2028, respectively. Each option granted, if not exercised subsequently, will expire on 1 April 2029. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

## Notes to Financial Statements

Year ended 31 December 2025

### 31. SHARE-BASED PAYMENTS (continued)

#### 1) 2022 Share Option Scheme (continued)

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the 2022 Share Option Scheme as an equity-settled plan.

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

The following share options were outstanding under the 2022 Share Option Scheme during the year:

	2025 Weighted average exercise price HK\$ per share	Number of options '000
At 1 January	–	–
Granted during the year	0.301	<b>67,760</b>
Forfeited during the year	0.301	<b>(1,120)</b>
At 31 December	0.301	<b>66,640</b>

The exercise price and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2025 Number of options	Exercise price* HK\$ per share	Exercise period
<b>26,656,000</b>	0.301	2 April 2026 to 1 April 2029
<b>19,992,000</b>	0.301	2 April 2027 to 1 April 2029
<b>19,992,000</b>	0.301	2 April 2028 to 1 April 2029
<b>66,640,000</b>		

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

## Notes to Financial Statements

Year ended 31 December 2025

### 31. SHARE-BASED PAYMENTS (continued)

#### 1) 2022 Share Option Scheme (continued)

The fair value of the share options granted for the year ended 31 December 2025 was approximately RMB8,525,000, of which the Group recognised a share option expense of RMB3,997,000 for the year ended 31 December 2025 (for the year ended 31 December 2024: Nil).

The fair value of the share options granted for the year ended 31 December 2025 was estimated at the date of grant, 2 April 2025, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists out the inputs used in the model:

	2025
Dividend yield (%)	0.00
Expected volatility (%)	67.51
Historical volatility (%)	67.51
Risk-free interest rate (%)	2.86
Expected life of options (year)	4
Weighted average share price (RMB per share)	0.28

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the year, the Company had 66,640,000 share options outstanding under the 2022 Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 66,640,000 additional ordinary shares of HK\$0.1 each of the Company and additional share capital of HK\$6,664,000 (equivalent to RMB6,019,000) and share premium of HK\$13,395,000 (equivalent to RMB12,099,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 66,640,000 share options outstanding under the 2022 Share Option Scheme, which represented approximately 1.64% of the Company's shares in issue (excluding treasury shares) as at that date.

### 31. SHARE-BASED PAYMENTS (*continued*)

#### 2) 2024 Share Award Scheme

On 15 November 2024, a share award scheme (the “2024 Share Award Scheme”) of the Company was approved by the Board. The 2024 Share Award Scheme shall be valid and effective for a period of 10 years commencing from the adoption date of the 2024 Share Award Scheme. The Company shall appoint one or more independent professional trustees of the trust established for the 2024 Share Award Scheme (the “Trustee”) to assist with the administration and vesting of the shares granted pursuant to this scheme and to hold shares underlying the shares as applicable. The Board may at any time during the scheme period direct and procure a Trustee to (i) receive existing shares from any shareholder of the Company; or (ii) purchase existing shares (either on-market or off-market) at such purchase price as the Board may direct or authorise, using funds of the Company subject to compliance with the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Listing Rules, and to hold such shares for the benefit of all or one or more of the individuals entitled to receive a grant of the award of the shares under the 2024 Share Award Scheme and for the satisfaction of the award of the shares granted or to be granted under the 2024 Share Award Scheme upon vesting.

On 2 April 2025, an aggregate of 29,040,000 shares were granted to 3 executive directors of the Company and 194 employees of the Group at HK\$0.09 per awarded share pursuant to the 2024 Share Award Scheme. Subject to the grant of the share awards becoming unconditional, all share awards granted will be vested in three tranches as to 40%, 30% and 30% of the aggregate number of shares on a yearly basis starting from the 13th month after 2 April 2025, respectively, provided that each vesting of shares shall be subject to the grantees’ meeting or satisfying, immediately preceding such vesting, the performance target or review as determined by the Company from time to time. If the grantees fail to meet or satisfy such performance target or review, the Company has the right to refuse or postpone such vesting until the grantees meet or satisfy the relevant performance target or review.

## Notes to Financial Statements

Year ended 31 December 2025

### 31. SHARE-BASED PAYMENTS (continued)

#### 2) 2024 Share Award Scheme (continued)

The movement of the Company's shares held for the 2024 Share Award Scheme during the year ended 31 December 2025 is as follows:

	Number of shares '000	Amount RMB'000
At 1 January 2025	–	–
Repurchased of share for the 2024 Share Award Scheme*	9,954	3,515
At 31 December 2025	9,954	3,515

\* During the year ended 31 December 2025, 9,953,600 ordinary shares of the Company on the Stock Exchange were repurchased.

A summary of the particulars of the award shares of the Company under the scheme during the year ended 31 December 2025 is as follows:

Date of grant	Shares newly granted during the year '000	Fair value RMB'000	Exercising price per share HK\$	Vesting date	Shares forfeited during the year '000	Number of outstanding shares granted as at
						31 December 2025 '000
2 April 2025	11,616	2,037	0.09	2 April 2026	(192)	11,424
2 April 2025	8,712	1,527	0.09	2 April 2027	(144)	8,568
2 April 2025	8,712	1,527	0.09	2 April 2028	(144)	8,568
	29,040	5,091			(480)	28,560

The fair value of the shares granted was approximately RMB5,091,000, assessed based on the difference between the market price of the Company's shares at the grant date and the amount payable by the grantee upon acceptance of the grant of the shares, of which the Group recognised a total expense of RMB2,434,000 for the year ended 31 December 2025 (for the year ended 31 December 2024: Nil).

## Notes to Financial Statements

Year ended 31 December 2025

### 32. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the year:

	Notes	2025 RMB'000	2024 RMB'000
Fellow subsidiaries:			
Rental income from the properties and conference facilities, income from the provision of property management services and income from vehicle rental	(a)(i)	<b>51,261</b>	51,616
Rendering of services	(a)(v), (a)(vi)	<b>81,372</b>	133,497
Services received	(a)(v), (a)(viii)	<b>25,872</b>	19,194
Collections and payments of utility			
Charge, catering services and employees' salaries	(a)(i)	<b>20,390</b>	19,629
Loan repaid by a fellow subsidiary	(a)(ix)	–	179
Repayment to a fellow subsidiary	(a)(ix)	–	700
Interest income	(a)(ix)	–	1
Associate:			
Rendering of services	(a)(vi), (a)(vii)	<b>23,233</b>	–
Loan advanced to an associate	(a)(x)	<b>1,000</b>	–
Payment for an investment in an associate	(a)(xi)	<b>100,000</b>	135,000

## Notes to Financial Statements

Year ended 31 December 2025

### 32. RELATED PARTY TRANSACTION (continued)

Name of related parties	Relationship
Wiscon Holding	Wholly owned by Mr. Hua Bangsong (the beneficial controlling shareholder of the Company) and is the ultimate holding company of the Company
惠生清潔能源科技集團股份有限公司 ("Wiscon New Energies")	Fellow subsidiary
惠生(中國)投資有限公司 ("Wiscon (China) Investment")	Fellow subsidiary
Wiscon Investment (Hong Kong) Limited ("Wiscon Investment (HK)")	Fellow subsidiary
Wiscon Offshore & Marine (Hong Kong) Limited ("Wiscon Offshore Marine (HK)")	Fellow subsidiary
Wiscon Offshore & Marine Limited ("Wiscon Offshore Marine")	Fellow subsidiary
上海惠生海洋工程有限公司 (Shanghai Wiscon Offshore & Marine Co., Ltd., "Wiscon Offshore Marine Shanghai")	Fellow subsidiary
惠生(泰州)新材料科技有限公司 (Wiscon (Taizhou) New Material Technology Co., Ltd., "Wiscon Taizhou")	Fellow subsidiary
Taixing Bohui	An associate of the Company
Levima Wiscon	An associate of the Company (Indirectly owned as to 35% by Wiscon Holding before 31 August 2025)
Henan Chuangsite	An associate of the Company
啟東惠生海工裝備有限公司 (Qidong Wiscon Offshore Engineering Equipment Co., Ltd., "Qidong Wiscon")	Fellow subsidiary

## Notes to Financial Statements

Year ended 31 December 2025

### 32. RELATED PARTY TRANSACTIONS (continued)

Notes:

- (a)(i) On 30 June 2020, the Group entered into a property leasing framework agreement with Wiscon Holding and its affiliates, pursuant to which the Group leases properties and provides property management services and utility services for the premises of the Group and/or rents the conference facilities at the properties to Wiscon Holding and its affiliates.

On 22 December 2022, the Group entered into a new property leasing framework agreement with Wiscon Holding and its affiliates to renew the aforesaid property leasing framework agreement. The new property leasing framework agreement shall be for a term of three years commencing from 1 January 2023 and expiring on 31 December 2025.

The aggregate income from the rentals, property management fees and conference facilities inclusive of value-added tax for the year ended 31 December 2025 from Wiscon (China) Investment and Wiscon Offshore Marine Shanghai under the property leasing framework agreement was RMB50,217,000 (2024: RMB50,706,000).

The Group entered into a vehicle rental agreement with Wiscon Offshore Marine Shanghai and Wiscon New Energies. The relevant rental income recognised by the Group for the year ended 31 December 2025 was RMB1,044,000 (2024: RMB910,000).

The collection and payment of utility charges, catering services and employees' salaries with Wiscon (China) Investment, Wiscon Offshore Marine Shanghai and Wiscon New Energies, Wiscon Investment (HK) and Wiscon Offshore Marine (HK) for the year ended 31 December 2025 were RMB20,390,000 (2024: RMB19,629,000).

- (a)(ii) On 30 November 2012, Wiscon Holding and the Company entered into a domain name licence agreement (the "Domain Name Licence Agreement") in respect of the right to use the domain name "wiscon-engineering.com" registered under the name of Wiscon Holding (the "Domain Name"). Pursuant to the Domain Name Licence Agreement, Wiscon Holding has agreed to grant the Company, and the Company has accepted, a royalty-free licence to use the Domain Name on an exclusive basis at nil consideration. The Domain Name Licence Agreement is for a perpetual term and may be terminated in certain circumstances, such as Wiscon Holding ceasing to be a shareholder of the Company.
- (a)(iii) On 12 January 2018 and 28 February 2018, Wiscon Holding, as licensor, entered into trademark licensing agreements with the Group to grant the rights to use the trademarks by the Group in China and certain territories, such as Hong Kong, the United States of America, Australia, European Union, Singapore, Turkey, South Africa and Venezuela, respectively, on a perpetual and non-exclusive basis for nil consideration.
- (a)(iv) The Group had credit facilities of RMB200,000,000 granted by Wiscon (China) Investment with a period from 1 March 2021 to 30 September 2025 with nil consideration. As at 31 December 2025, the credit facilities used by the Group was nil (31 December 2024: Nil).
- (a)(v) On 22 December 2022, the Group entered into a new service agreement with Wiscon Holding, pursuant to which, the Group shall provide to Wiscon Holding and its subsidiaries ("Wiscon Group") consulting, marketing and new business development services in oil and gas and petrochemical areas in relation to the current and proposed business operations of Wiscon Group, and Wiscon Group shall provide to the Group information technology services and legal and compliance services. The term of the service agreement commences on 1 January 2023 and expires on 31 December 2025. The fees payable to the Group by Wiscon Group and the fees payable by the Group to Wiscon Group under the service agreement are determined based on the amount of time incurred by the qualified personnel assigned to provide the relevant services at hourly rates determined with reference to market rates for the remuneration of such qualified personnel, plus out-of-pocket expenses and general and administrative expenses actually incurred.

The service fee revenue recognised by the Group during the year ended 31 December 2025 from Wiscon Group was RMB2,000 (2024: RMB29,000). The cost of service fee incurred by the Group for services rendered by Wiscon Group during the year ended 31 December 2025 was RMB20,847,000 (2024: RMB14,169,000).

## Notes to Financial Statements

Year ended 31 December 2025

### 32. RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

- (a)(vi) On 22 September 2023, the Group entered into an engineering design framework agreement with Wisun Holding. Pursuant to the agreement, the Group should provide engineering design services in oil, gas and petrochemical areas in relation to the business operations of the Wisun Holding and its affiliates.

Wisun Offshore Marine Shanghai, Wisun New Energies, Wisun Taizhou, Levima Wisun and Qidong Wisun entered into construction service agreements with the Group, respectively. The relevant revenue recognised by the Group during the year ended 31 December 2025 was RMB101,263,000 (2024: RMB133,468,000). The trade receivables and contract assets relating to Wisun Offshore Marine Shanghai, Wisun (China) Investment, Wisun New Energies and Levima Wisun are set out in note 21 and note 23. The contract liabilities relating to Wisun Offshore Marine Shanghai and Levima Wisun are set out in note 26.

- (a)(vii) The Group entered into a construction service agreement with Taixing Bohui. The relevant revenue recognised by the Group during the year ended 31 December 2025 was RMB3,340,000 (2024: Nil). The trade receivable and contract asset relating to Taixing Bohui are set out in note 21 and note 23.

- (a)(viii) On 22 December 2022, the Group and Wisun Holdings entered into the entrustment guarantee agreement in relation to the guarantee provided by Wisun Holding for the Group in favour of a customer, and the Group shall pay a guarantee fee to Wisun Holding calculated based on 0.5% per annum of the total principal amount of the guarantee liability stated in the entrustment guarantee agreement. The maximum guarantee fee is RMB30,150,000 with the guarantee period from 1 January 2023 to 31 December 2028. The relevant guarantee fee incurred by the Group during the year ended 31 December 2025 was RMB5,025,000 (2024: RMB5,025,000).

- (a)(ix) During the year ended 31 December 2024, RMB700,000 borrowed from Wisun Clean Energy in 2023 was repaid by the Group, and the amount was unsecured and interest free. The loan of RMB179,000 advanced to Wisun Offshore Marine in 2023 was repaid to the Group in 2024, and the amount was unsecured, interest-bearing at 7.2% per annum. There was no interest income recognised by the Group during the 12 months ended 31 December 2025 (2024: RMB1,000).

- (a)(x) During the year ended 31 December 2025, the Group advanced RMB1,000,000 to Taixing Bohui which was unsecured, non-interest-bearing and repayable in one year (2024: Nil).

- (a)(xi) On 11 September 2024, the Group entered into an equity transfer agreement with Wisun (China) Investment to acquire its 35% equity interest in Levima Wisun for a total cash consideration of approximately RMB255,000,000. During the year ended 31 December 2025, the Group made a payment of RMB100,000,000 (2024: RMB135,000,000). As at 31 December 2025, the Group made an accumulated payment of RMB235,000,000 (31 December 2024: RMB135,000,000) which was recorded under investments in associates (31 December 2024: other non-current assets).

In the opinion of the directors of the Company, the transactions between the Group and Wisun New Energies, Wisun (China) Investment, Wisun Investment (HK), Wisun Offshore Marine (HK), Wisun Offshore Marine Shanghai, Wisun Offshore Marine, Levima Wisun, Wisun Clean Energy, Wisun Holdings, Qidong Wisun, Wisun Taizhou and Taixing Bohui were conducted based on mutually agreed terms.

## Notes to Financial Statements

Year ended 31 December 2025

### 32. RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

(b) Saved as disclosed in notes 21, 23 and 26 to the financial statements, balances with related parties are as follows:

	2025 RMB'000	2024 RMB'000
Due from fellow subsidiaries:		
Wisron Investment (HK)	24,501	23,226
Wisron (China) Investment	12,463	30,898
Wisron Offshore Marine (HK)	3,441	–
Qidong Wisron	2,845	127
Wisron Taizhou	88	81
Wisron Offshore Marine Shanghai	591	10,237
Wisron New Energies	–	238
<b>Total</b>	<b>43,929</b>	<b>64,807</b>
Due from an associate:		
Taixing Bohui	1,000	–
Due to fellow subsidiaries:		
Wisron (China) Investment	18,042	329
Wisron New Energies	274	–
<b>Total</b>	<b>18,316</b>	<b>329</b>
Due to the ultimate holding company:		
Wisron Holding	2	–
Due to an associate:		
Henan Chuangsite	630	630

The balances with the ultimate holding company, fellow subsidiaries and associates are unsecured, interest-free and repayable on demand except the loan to Wisron Offshore Marine. The carrying amounts of the balances with the related parties approximate to their fair values.

(c) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short term employee benefits	14,572	13,303
Post-employment benefits	495	378
Equity-settled share-based payment expense	1,609	–
<b>Total compensation paid to key management personnel</b>	<b>16,676</b>	<b>13,681</b>

Further details of directors' and chief executive's emoluments are included in note 9 to the financial statements.

The related party transactions in respect of items (a)(i), (a)(v) and (a)(vi) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

## Notes to Financial Statements

Year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

#### Financial assets

	Financial assets at fair value through other comprehensive income		Total RMB'000
	Equity investments RMB'000	Financial assets at amortised cost RMB'000	
Equity investments at fair value through other comprehensive income	312,337	–	312,337
Trade receivables	–	837,917	837,917
Bills receivable	25,883	12,235	38,118
Financial assets included in prepayments and other receivables (note 22)	–	137,788	137,788
Due from fellow subsidiaries	–	43,929	43,929
Due from an associate	–	1,000	1,000
Time deposits	–	914,597	914,597
Cash and bank balances	–	2,223,049	2,223,049
<b>Total</b>	<b>338,220</b>	<b>4,170,515</b>	<b>4,508,735</b>

#### Financial liabilities

	Financial liabilities at amortised cost RMB'000
Trade and bills payables	3,017,551
Financial liabilities included in other payables and accruals	1,155,545
Due to fellow subsidiaries	18,316
Due to an associate	630
Due to the ultimate holding company	2
Interest-bearing bank borrowings	881,653
<b>Total</b>	<b>5,073,697</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2024

#### Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Equity investments		RMB'000	RMB'000
	RMB'000		RMB'000	RMB'000
Equity investments at fair value through other comprehensive income	295,588	–		295,588
Trade receivables	–		511,368	511,368
Bills receivable	12,077		23,287	35,364
Financial assets included in prepayments and other receivables (note 22)	–		56,183	56,183
Due from fellow subsidiaries	–		64,807	64,807
Time deposits	–		1,746,566	1,746,566
Cash and cash equivalents	–		2,737,422	2,737,422
<b>Total</b>	<b>307,665</b>		<b>5,139,633</b>	<b>5,447,298</b>

#### Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	2,786,692
Financial liabilities included in other payables and accruals	353,968
Due to fellow subsidiaries	329
Due to an associate	630
Interest-bearing bank borrowings	1,097,515
<b>Total</b>	<b>4,239,134</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

#### TRANSFERS OF FINANCIAL ASSETS

##### **Transferred financial assets that are not derecognised in their entirety**

At 31 December 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the “Endorsed Bills”) with a carrying amount of RMB10,563,000 (2024: RMB15,236,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills to which the suppliers had recourse was RMB10,563,000 (2024: RMB15,236,000) as at 31 December 2025.

##### **Transferred financial assets that are derecognised in their entirety**

At 31 December 2025, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the “Derecognised Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB32,263,000 (2024: RMB15,584,000). The Derecognised Bills had a maturity of six to twelve months at 31 December 2025. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s continuing involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s continuing involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2025, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the continuing involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

## Notes to Financial Statements

Year ended 31 December 2025

### 34. CONTINGENT LIABILITIES

During the years 2020 to 2025, certain subcontractors of the Group filed claims with the People's Courts in Chinese mainland against the Group for payments of outstanding construction costs, as well as interest and liquidation damages, with an aggregate disputed amount of approximately RMB216,351,000. The directors of the Company are of the opinion that for the lawsuits with disputed amount of RMB179,140,000, an appropriate provision has been made against the existing accounts payable. For the remaining disputed amount of RMB37,211,000, which is without merit, the possibility of the Group being subject to additional payment claims is expected to be remote based on the available evidence and legal advice obtained. Therefore, the directors of the Company are of the opinion that no additional provision is required.

### 35. COMMITMENTS

The Group has various lease contracts that have not yet commenced as at 31 December 2025. The future lease payments for these non-cancellable lease contracts are RMB57,329,000 due within one year and RMB25,255,000 due in the second to fifth years.

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial assets</b>				
Equity investments designated at fair value through other comprehensive income	311,592	295,588	311,592	295,588
<b>Financial liabilities</b>				
Interest-bearing bank borrowings	521,906	561,924	524,501	570,170

## Notes to Financial Statements

Year ended 31 December 2025

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Management has assessed that the fair values of cash and bank balances, and time deposits, amounts due from fellow subsidiaries, an amount due from an associate, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, lease liabilities, amounts due to fellow subsidiaries, an amount due to an associate and an amount due to the ultimate holding company approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The fair values of the non-current portion of trade payables and other payables, interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as price to book ("P/B") multiple, price to earnings ("P/E") multiple and price to sales ("P/S") multiple, for each comparable company identified. The multiple is calculated by dividing the price per share of the comparable company by net assets value or earnings per share. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

## Notes to Financial Statements

Year ended 31 December 2025

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

	Valuation technique	Significant unobservable input	Range/ratio	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B multiple of peers	2.89 to 3.18 (2024: 0.74 to 5.29)	10% (2024: 10%) increase/decrease in multiple would result in increase/decrease in fair value by RMB584,000 (2024: RMB2,845,000)
		Average P/E multiple of peers	18.74 to 48.90 (2024: 15.00 to 81.40)	10% (2024: 10%) increase/decrease in multiple would result in increase/decrease in fair value by RMB2,611,000 (2024: RMB2,593,000)
		Average P/S multiple of peers	3.65 to 5.93 (2024: 2.42 to 8.28)	10% (2024: 10%) increase/decrease in multiple would result in increase/decrease in fair value by RMB597,000 (2024: RMB0)
		Discount for lack of marketability	20% to 25% (2024: 20% to 25%)	10% (2024: 10%) increase/decrease in discount would result in decrease/increase in fair value by RMB1,046,000 (2024: RMB1,598,000)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

## Notes to Financial Statements

Year ended 31 December 2025

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Assets measured at fair value:

##### As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	270,950	–	41,387	312,337

##### As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Equity investments designated at fair value through other comprehensive income	238,106	–	57,482	295,588

## Notes to Financial Statements

Year ended 31 December 2025

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy (continued)

#### Assets measured at fair value: (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Equity investments at fair value through other comprehensive income		
At 1 January	57,482	79,486
Total losses recognised in other comprehensive income	(16,095)	(22,004)
At 31 December	41,387	57,482

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

#### Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and 31 December 2024.

#### Liabilities for which fair values are disclosed:

#### As at 31 December 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank borrowings	–	524,501	–	524,501

## Notes to Financial Statements

Year ended 31 December 2025

### 36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

#### Fair value hierarchy *(continued)*

#### Liabilities for which fair values are disclosed: *(continued)*

As at 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank borrowings	–	570,170	–	570,170

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, time deposits, amounts due from fellow subsidiaries, an amount due from an associate, interest-bearing bank borrowings, amounts due to fellow subsidiaries, an amount due to an associate and an amount due to the ultimate holding company. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, other receivables, trade and bills payables and other payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments should be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. Generally, the Group introduces conservative strategies on its risk management. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

#### Foreign currency risk

The Group has transactional currency exposure. Such exposure arises from sales or purchases by operating units in currencies other than the units' functional currencies.

As a result of the foreign currency bank balances and various other financial assets and liabilities such as trade and bills receivables, other receivables, trade and bills payables and other payables, the Group's statement of financial position can be affected significantly by movements in the exchange rates of US\$, SAR, HK\$, VED, Euro ("EUR"), and JYP against RMB.

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates of US\$/SAR/HK\$/VED/EUR/JPY against RMB, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of other monetary assets and liabilities in US\$/SAR/HK\$/VED/EUR/JPY).

	Increase/ (decrease) in rate %	Increase/ (decrease) in profit before tax RMB'000
<b>Year ended 31 December 2025</b>		
If the RMB weakens against the US\$	5	17,758
If the RMB strengthens against the US\$	5	(17,758)
If the RMB weakens against the SAR	5	(12,460)
If the RMB strengthens against the SAR	5	12,460
If the RMB weakens against the HK\$	5	735
If the RMB strengthens against the HK\$	5	(735)
If the RMB weakens against the VED	5	(719)
If the RMB strengthens against the VED	5	719
If the RMB weakens against the EUR	5	353
If the RMB strengthens against the EUR	5	(353)

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Foreign currency risk (continued)

	Increase/ (decrease) in rate %	Increase/ (decrease) in profit before tax RMB'000
<b>Year ended 31 December 2024</b>		
If the RMB weakens against the US\$	5	47,558
If the RMB strengthens against the US\$	5	(47,558)
If the RMB weakens against the EUR	5	14,653
If the RMB strengthens against the EUR	5	(14,653)
If the RMB weakens against the JPY	5	11,322
If the RMB strengthens against the JPY	5	(11,322)

#### Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk (continued)

##### Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Contract assets*	–	–	–	750,706	750,706
Trade receivables*	–	–	–	1,553,625	1,553,625
Bills receivable	38,118	–	–	–	38,118
Financial assets included in prepayments and other receivables					
— Normal**	140,120	–	1,760	–	141,880
Due from fellow subsidiaries	43,929	–	–	–	43,929
Due from an associate	1,000	–	–	–	1,000
Time deposits	914,597	–	–	–	914,597
Cash and bank balances	2,223,049	–	–	–	2,223,049
<b>Total</b>	<b>3,360,813</b>	<b>–</b>	<b>1,760</b>	<b>2,304,331</b>	<b>5,666,904</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Credit risk (continued)

As at 31 December 2024

	12-month		Lifetime ECLs			Total RMB'000
	ECLs					
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000		
Contract assets*	–	–	–	1,429,345	1,429,345	
Trade receivables*	–	–	–	1,085,903	1,085,903	
Bills receivable	35,364	–	–	–	35,364	
Financial assets included in prepayments and other receivables						
— Normal**	57,330	–	1,760	–	59,090	
Due from fellow subsidiaries	64,807	–	–	–	64,807	
Time deposits	1,746,566	–	–	–	1,746,566	
Cash and bank balances	2,737,422	–	–	–	2,737,422	
<b>Total</b>	<b>4,641,489</b>	<b>–</b>	<b>1,760</b>	<b>2,515,248</b>	<b>7,158,497</b>	

\* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 21 and 23 to the financial statements, respectively.

\*\* The credit quality of the financial assets included in prepayments and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 21 to the financial statements.

Since the Group trades only with recognised and creditworthy customers, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. At the end of the reporting period, the Group had certain concentrations of credit risk as 24% (2024: 21%) and 74% (2024: 61%) of the Group’s trade receivables were due from the Group’s largest customer and five largest customers, respectively, within the EPC segment.

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings, trade and bills payables, other payables and accruals, lease liabilities, amounts due to fellow subsidiaries, an amount due to an associate and an amount due to the ultimate holding company. Cash flows are closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, is as follows:

	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	Over 1 year RMB'000	Total RMB'000
<b>31 December 2025</b>					
Lease liabilities	–	2,434	3,841	16,108	22,383
Interest-bearing bank borrowings	–	132,829	191,421	683,571	1,007,821
Trade and bills payables	2,877,761	–	–	69,895	2,947,656
Other payables and accruals	1,078,271	–	–	77,274	1,155,545
Due to fellow subsidiaries	–	18,316	–	–	18,316
Due to an associate	630	–	–	–	630
Due to the ultimate holding company	2	–	–	–	2
<b>Total contractual undiscounted payments</b>	<b>3,956,664</b>	<b>153,579</b>	<b>195,262</b>	<b>846,848</b>	<b>5,152,353</b>

	On demand RMB'000	Less than 3 months RMB'000	3 to 12 months RMB'000	Over 1 year RMB'000	Total RMB'000
<b>31 December 2024</b>					
Lease liabilities	–	4,529	12,282	1,661	18,472
Interest-bearing bank borrowings	–	85,043	532,669	615,280	1,232,992
Trade and bills payables	2,481,453	–	327,954	22,066	2,831,473
Other payables and accruals	332,843	–	–	21,125	353,968
Due to fellow subsidiaries	–	329	–	–	329
Due to an associate	630	–	–	–	630
<b>Total contractual undiscounted payments</b>	<b>2,814,926</b>	<b>89,901</b>	<b>872,905</b>	<b>660,132</b>	<b>4,437,864</b>

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (*continued*)

#### Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investment included in equity investments designated at fair value through other comprehensive income (note 19) as at 31 December 2025. The Group's listed investments are listed on the Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The market equity index for the following stock exchange, at the close of business of the nearest trading day in the year to the end of the reporting period, and its respective highest and lowest points during the year were as follows:

	31 December 2025	High/low 2025	31 December 2024	High/low 2024
Hong Kong — Hang Seng Index	25,631	27,382/18,671	20,060	22,737/15,309

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve.

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Equity price risk (continued)

	Carrying amount of equity investments RMB'000	Increase/ (decrease) in equity* RMB'000
<b>2025</b>		
Investments listed in:		
Hong Kong — Equity investments at fair value through other comprehensive income	<b>270,950</b>	<b>13,548</b>
Unlisted investments at fair value:		
— Equity investments designated at fair value through other comprehensive income	<b>41,387</b>	<b>2,069</b>

	Carrying amount of equity investments RMB'000	Increase/ (decrease) in equity* RMB'000
<b>2024</b>		
Investments listed in:		
Hong Kong — Equity investments at fair value through other comprehensive income	238,106	11,905
Unlisted investments at fair value:		
— Equity investments designated at fair value through other comprehensive income	57,482	2,874

\* Excluding retained profits

## Notes to Financial Statements

Year ended 31 December 2025

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to equity holders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt includes interest-bearing bank borrowings. The gearing ratios as at the end of the reporting periods were as follows:

	2025 RMB'000	2024 RMB'000
Interest-bearing bank borrowings	881,653	1,097,515
Total debt	881,653	1,097,515
Total equity	2,857,634	2,653,263
Gearing ratio	31%	41%

## Notes to Financial Statements

Year ended 31 December 2025

### 38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB21,782,000 (2024: RMB4,459,000) and RMB21,782,000 (2024: RMB4,459,000), respectively, in respect of lease arrangements for properties which did not result in any cash flow.

During the year, the Group offset contract assets with trade payables of RMB90,217,000 (2024: Not applicable) in respect of a certain EPC contract.

#### (b) Changes in liabilities arising from financing activities

2025

	Lease liabilities RMB'000	Interests-bearing bank borrowings RMB'000
At 1 January 2025	17,872	1,097,515
Changes from financing cash flows	(18,086)	(215,862)
New leases (note 15)	21,782	–
Interest expense (note 7)	433	–
Interest paid classified as operating cash flows	(433)	–
At 31 December 2025	21,568	881,653

## Notes to Financial Statements

Year ended 31 December 2025

### 38. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (b) Changes in liabilities arising from financing activities *(continued)*

2024

	Lease liabilities RMB'000	Interests-bearing bank borrowings RMB'000
At 1 January 2024	27,166	1,090,109
Changes from financing cash flows	(13,753)	7,406
New leases (note 15)	4,459	–
Interest expense (note 7)	1,162	–
Interest paid classified as operating cash flows	(1,162)	–
At 31 December 2024	17,872	1,097,515

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	3,854	4,965
Within financing activities	18,086	13,753
Total	21,940	18,718

## Notes to Financial Statements

Year ended 31 December 2025

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
<b>NON-CURRENT ASSETS</b>		
Investments in subsidiaries	6,297	1
<b>Total non-current assets</b>	<b>6,297</b>	1
<b>CURRENT ASSETS</b>		
Due from subsidiaries	748,567	764,045
Prepayments and other receivables	615	433
Dividends receivables	744,276	744,276
Cash and bank balances	17,393	1,984
Equity investments designated at fair value through other comprehensive income	270,950	238,106
<b>Total current assets</b>	<b>1,781,801</b>	1,748,844
<b>CURRENT LIABILITIES</b>		
Other payables and accruals	3,314	3,433
Due to subsidiaries	11,167	11,189
<b>Total current liabilities</b>	<b>14,481</b>	14,622
<b>NET CURRENT ASSETS</b>	<b>1,767,320</b>	1,734,222
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>1,773,617</b>	1,734,222
<b>Net assets</b>	<b>1,773,617</b>	1,734,222
<b>EQUITY</b>		
Share capital	330,578	330,578
Treasury shares	(3,515)	–
Reserves (Note)	1,446,554	1,403,644
<b>Total equity</b>	<b>1,773,617</b>	1,734,222

## Notes to Financial Statements

Year ended 31 December 2025

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share-based payment reserve RMB'000	Share premium reserve RMB'000	Capital reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Retained profits RMB'000	Total RMB'000
At 31 December 2023 and 1 January 2024	–	869,201	84,936	21,677	371,003	1,346,817
Total comprehensive income for the year	–	–	–	–	10,311	10,311
Changes in fair value of equity investments at fair value through other comprehensive income	–	–	–	46,516	–	46,516
At 31 December 2024 and 1 January 2025	–	869,201	84,936	68,193	381,314	1,403,644
Total comprehensive income for the year	–	–	–	–	3,635	3,635
Changes in fair value of equity investments at fair value through other comprehensive income	–	–	–	32,844	–	32,844
Equity-settled share-based payment expenses	6,431	–	–	–	–	6,431
<b>At 31 December 2025</b>	<b>6,431</b>	<b>869,201</b>	<b>84,936</b>	<b>101,037</b>	<b>384,949</b>	<b>1,446,554</b>

### 40. EVENTS AFTER THE REPORTING PERIOD

Other than disclosed elsewhere in the financial statements, there are no events after the reporting date that require disclosure in these financial statements.

### 41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.