

# CCIAM Future Energy Limited 信能低碳有限公司

(Stock Code: 145)

## 2025 ANNUAL REPORT



## CORPORATION INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Cheng Lut Tim (resigned on 19 December 2025)  
Mr. Chong Kok Leong  
Mr. Mok Tsan San (resigned on 1 April 2025)  
Mr. So David Tat Man (appointed on 1 May 2025)  
Mr. Zhuang Miaozhong

#### Independent Non-executive Directors

Ms. Li Liming (resigned on 31 December 2025)  
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)  
Ms. Yuen Wai Man  
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)  
Mr. Matthew Pau (appointed on 1 February 2026)

#### AUDIT COMMITTEE

Ms. Yuen Wai Man (*Chairman*)  
Ms. Li Liming (resigned on 31 December 2025)  
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)  
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)  
Mr. Matthew Pau (appointed on 1 February 2026)

#### NOMINATION COMMITTEE

Ms. Yuen Wai Man (*Chairman*)  
Ms. Li Liming (resigned on 31 December 2025)  
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)  
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)  
Mr. Matthew Pau (appointed on 1 February 2026)

#### REMUNERATION COMMITTEE

Ms. Yuen Wai Man (*Chairman*)  
Ms. Li Liming (resigned on 31 December 2025)  
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)  
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)  
Mr. Matthew Pau (appointed on 1 February 2026)

#### AUDITORS

Prism Hong Kong Limited  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

#### COMPANY SECRETARY

Mr. Chang Kwan Yip, Quillan

### PRINCIPAL BANKERS

China CITIC Bank International Limited  
Industrial and Commercial Bank of China  
OCBC Wing Hang Bank Limited  
Shanghai Pudong Development Bank  
The Hongkong and Shanghai Banking  
Corporation Limited

### LEGAL ADVISOR

WT Law Offices

### SHARE REGISTRAR

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

### REGISTERED OFFICE

Unit D, 7/F  
Seabright Plaza  
9-23 Shell Street  
North Point  
Hong Kong

### STOCK CODE

145

### WEBSITE

<http://www.ccf.com.hk>



## CONTENTS

	<i>Page</i>
MANAGEMENT DISCUSSION AND ANALYSIS	3
BIOGRAPHICAL DETAILS OF DIRECTORS	9
DIRECTORS' REPORT	11
CORPORATE GOVERNANCE REPORT	25
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	39
INDEPENDENT AUDITOR'S REPORT	56
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	61
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	62
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	64
CONSOLIDATED STATEMENT OF CASH FLOWS	65
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	67
SUMMARY OF FINANCIAL INFORMATION	142



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in design and provision of energy saving solutions, provision of loan financing services and treasury investments.

For the year ended 31 December 2025, the Group recorded a total revenue of approximately HK\$50,893,000 (2024: approximately HK\$51,900,000) while the losses were approximately HK\$21,034,000 (2024: approximately HK\$16,111,000).

## ENERGY SAVING BUSINESS

The energy saving business of the Group includes provision of energy saving solution related consultation, design, implementation and comprehensive coordination services; provision of maintenance services related to heating, ventilation and air conditioning system; and eco-friendly cleaning solutions in helping its clients to achieve their objective of saving energy for their business operations. The Group is committed to actively exploring opportunities and diversify its presence in the green solutions market.

The Group has been providing the energy solution services to large-scale commercial and industrial facilities in Chinese mainland by optimizing their operation of heating, ventilation and air conditioning systems. To keep its clients engaged, the Group also provides ongoing maintenance services for the systems installed, ensuring optimal performance and creating a recurring revenue stream. During the Year, the geopolitical tensions and the trade war could have impacted on the Group's operating environment in Chinese mainland. With the growing global emphasis on environmental protection and the increasing adoption of environmental, social, and governance (ESG) standards, along with the push for decarbonization and green building initiatives, the energy-saving sector presents substantial opportunities for continued development.

For the year ended 31 December 2025, the Group have provided services in eco-friendly projects in Hong Kong through the application of advanced surface treatment technologies which helps to lower water usage and cleaning frequency. The Group is committed to actively exploring further opportunities and expanding its presence in the green solutions market.

## LOAN FINANCING BUSINESS

The Group has a proven track record of loan financing business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). To enhance the competitive edge in the marketplace and to provide clients with greater flexibility, the Group offers personal loans and mortgage loans.

During the Year, the Group observed that there was a rise in credit risk for its personal loan accounts. As such, the Group took a conservative approach in its new personal loan drawdowns. To balance its credit risk among its loan portfolio, the Group allocated more resources to mortgage loan financing. Thanks to such measures, the Group has recorded an increase in its interest income and improved its bad debt provision for its loan receivables when compared to the previous year.

As at 31 December 2025, the Group had a net balance of loan and interest receivables of HK\$3,940,000 (2024: HK\$5,691,000), comprised of 13% about personal loans and 87% mortgage loans. The total number of clients was 139 (2024: 160). The clients included Hong Kong residents, and entities incorporated in Hong Kong. For mortgage loans, clients were required to provide their real realities in Hong Kong as collaterals.



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Under the existing loan portfolio, the repayment periods granted ranged from 6 months to 5 years with interest rates ranging from approximately 7.7% to 44.4% per annum, depending on their degree of credibility, income proof, repayment ability and/or value of collaterals.

The Group would closely monitor the market trend and adjust its strategy as appropriate, and continue to maintain the ratios of debt-to-income and loan-to-value for its loan drawdowns at a reasonable level. The bad debt provision for the year was recorded at a reasonable level when compared to its loan portfolio.

## TREASURE INVESTMENTS

With respect to the treasury investments business, the Company is in the process of locating opportunities for this segment. However, there is no desirable opportunity raised and found fit for the Group. The Group will continue to explore business opportunities in the market for the development of the Group's business.

## PROSPECTS

China's 15th Five-Year Plan (the "Plan") continues its goal of strengthening investment in energy efficiency in industry, with targets for reducing carbon intensity marking a significant push towards green development. The Plan has provided the Group's confidence in its development in the mainland market. The pursuit of this business objective is in line with the national policy and is propelled by the Chinese government's unwavering commitment to its "Dual Carbon Goal".

In Hong Kong, the Group keeps focusing on helping customers improve their energy efficiency and lower their carbon footprint through innovative, sustainable solutions. The Group has been on track to provide EV charging services in New Territories to support the SAR government's advocacy of the use of electric vehicles ("EVs") in Hong Kong. The trend of increasing number of EV would benefit the Group for its pursuit of EV charging business. The highspeed EV charging station has recently commenced trial operations. The station is capable of servicing multiple electric taxis and private EV at the same time. This represents a further step in the development of the Group's EV charging business under its energy saving business segment. The Group believes that it would benefit from its pursuit of EV charging business as a result of the increasing number of EVs in Hong Kong. In addition, with the growing awareness of environmental protection, businesses and consumers are becoming more conscious about resource conservation in their workplaces. This would continue offering the Group potential to provide its clients with environmentally friendly solutions and services in energy-saving ways.

Looking ahead, the Company will continue to closely monitor market conditions and remain prudent in evaluating opportunities for further development of this business as appropriate. By strategically deploying resources and maintaining a responsive approach to market dynamics, the Company aim to strengthen its position and capture different business opportunities.

## TOTAL ASSETS AND TOTAL LIABILITIES

As at 31 December 2025, the total assets of the Group was approximately HK\$73,291,000 (2024: approximately HK\$64,275,000). During the Year, the Group had an overall increase in its current assets including trade receivables and prepayments, and this was in line with its business development.

As at 31 December 2025, total liabilities of the Group was increased to approximately HK\$21,270,000 (2024: approximately HK\$16,055,000). This was mainly attributable to increase in trade and other payables during the Year.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

For the Year, the Group financed its operations mainly through internally generated cashflows, and proceeds from rights issue and placing of new shares. As at 31 December 2025, the Group had net current assets of approximately HK\$45,897,000 (2024: approximately HK\$40,612,000). As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately HK\$12,452,000 (2024: approximately HK\$22,906,000).

As at 31 December 2025, the gearing ratio was 0% (2024: 15.6%) due to the other borrowing was repaid during the Year, being the ratio of borrowing of HK\$0 (2024: HK\$10,000,000) to the total assets of approximately HK\$73,291,000 (2024: approximately HK\$64,275,000).

For the Year, the share capital of the Company is only comprised of ordinary shares ("Shares"). The Company has completed the placing of 40,688,000 new Shares and rights issue of 122,067,272 new Shares on 4 August 2025 and 18 December 2025, respectively.

### CONTINGENT LIABILITIES AND CHARGE ON GROUP ASSETS

As at 31 December 2025, the Group did not have material contingent liabilities and charge on its assets (2024: immaterial).

### CAPITAL COMMITMENT

As at 31 December 2025, the Group had capital commitments, which were contracted but not provided for, in respect of its capital expenditures of approximately HK\$5,871,000 (2024: HK\$4,107,000).

### MATERIAL INVESTMENTS, ACQUISITION AND DISPOSALS

Other than those disclosed in this annual report, there were no material investments, acquisitions or disposals of subsidiaries during the Year.

### STAFF AND REMUNERATION

As at 31 December 2025, the Group had 26 (2024: 27) employees. Total staff costs including Directors' remuneration during the Year amounted to approximately HK\$10,779,000 (2024: approximately HK\$8,992,000). The Group offers competitive remuneration packages to its employees including pension fund schemes, medical allowance and share options granted or to be granted under the share option scheme of the Company.



**MANAGEMENT DISCUSSION AND ANALYSIS** (continued)**(1) THE PLACING OF NEW SHARES UNDER GENERAL MANDATE (THE “2024 PLACING”) AND COMPLETED ON 19 NOVEMBER 2024**

On 25 October 2024, the Company entered into the placing agreement with the placing agent, pursuant to which the Company agreed to place through the placing agent, on a best-effort basis, up to 33,908,000 new Shares to not less than six independent placees at the placing price of HK\$0.138 per placing Share. The closing price per share as at 25 October 2024 was HK\$0.152.

On 19 November 2024, all the conditions set out in the placing agreement had been fulfilled and the completion of the placing took place on 19 November 2024. An aggregate of 33,904,000 new Shares had been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.138 per placing Share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing were approximately HK\$4,560,000. The Company intended to apply the net proceeds for EV charging business in Hong Kong. The utilisation of the net proceeds from the 2024 Placing was summarised as follows:

	<b>Allocation of net proceeds HK\$'000</b>	<b>Amount utilised up to 31 December 2025 HK\$'000</b>	<b>Balance as at 31 December 2025 HK\$'000</b>
EV charging business	4,560	(4,560)	–

For more details about the 2024 Placing, please refer to the announcements of the Company dated 25 October 2024 and 19 November 2024.

**MANAGEMENT DISCUSSION AND ANALYSIS** (continued)**(2) THE PLACING OF NEW SHARES UNDER GENERAL MANDATE (THE "2025 PLACING") AND COMPLETED ON 4 AUGUST 2025**

On 17 June 2025 and 8 July 2025, the Company entered into the placing agreement and supplemental placing agreement with the placing agent, pursuant to which the Company agreed to place through the placing agent, on a best-effort basis, up to 40,689,308 Shares to not less than six independent placees at the placing price of HK\$0.148 per placing Share. The closing price per share as at 17 June 2025 was HK\$0.168.

On 4 August 2025, all the conditions set out in the placing agreement and supplemental placing agreement had been fulfilled and the completion of the placing took place on 4 August 2025. An aggregate of 40,688,000 Shares had been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.148 per placing Share pursuant to the terms and conditions of the supplemental placing agreement. The net proceeds from the placing were approximately HK\$5,780,000. The Company intended to apply the net proceeds for general working capital of the Group, including but not limited to placing commission legal expenses and disbursements. The utilisation of the net proceeds from the 2025 Placing was summarised as follows:

	<b>Allocation of net proceeds HK\$'000</b>	<b>Amount utilised up to 31 December 2025 HK\$'000</b>	<b>Balance as at 31 December 2025 HK\$'000</b>
General working capital of the Group	<b>5,780</b>	<b>(5,780)</b>	<b>–</b>

For more details about the 2025 Placing, please refer to the announcements of the Company dated 17 June 2025, 8 July 2025 and 4 August 2025.



**MANAGEMENT DISCUSSION AND ANALYSIS** (continued)**(3) THE RIGHTS ISSUE COMPLETED ON 18 DECEMBER 2025 (THE “2025 RIGHTS ISSUE”)**

On 8 October 2025, the Company entered into the placing agreement with the placing agent for the proposed rights issue of not less than 122,067,272 rights Shares at the subscription price of HK\$0.153 per rights Share on the basis of one (1) rights Share for every two (2) Shares then in issue. The 2025 Rights Issue transaction had been completed on 18 December 2025, as disclosed in the Announcement, on 1 December 2025, a total of 9 valid applications and acceptances under the PAL in respect of a total of 25,609,164 Rights Shares had been received, representing approximately 20.98% of the total number of 122,067,272 Rights Shares available for subscription under the Rights Issue.

On 12 December 2025, a total of 96,458,108 placing Shares, representing approximately 79.02% of the total number of 122,067,272 rights Shares, were placed at the price of HK\$0.153 per share, the total of 122,067,272 new Shares has been allotted and issued by the Company. The closing price per share as at 8 October 2025 was HK\$0.176.

The gross proceeds from the 2025 Rights Issue were approximately HK\$18,676,000. The net proceeds from the 2025 Rights Issue, after deducting professional fees and all other relevant expenses, were approximately HK\$17,000,000. The Group intended to use the net proceeds from the 2025 Rights Issue as to (A) approximately HK\$10.8 million for repayment of a bond payable, including its principal and accrued interests; (B) approximately HK\$6.2 million for the energy saving business, in which (i) approximately HK\$3.1 million for energy solution services; and (ii) approximately HK\$3.1 million for EV charging business. The utilisation of the net proceeds from the 2025 Rights Issue was summarised as follows:

	Allocation of net proceeds HK\$'000	Amount utilised up to 31 December 2025 HK\$'000	Balance as at 31 December 2025 HK\$'000
Repayment of a bond payable	10,800	(10,800)	–
Energy saving business – energy solution services	3,100	–	3,100
Energy saving business – EV charging business	3,100	–	3,100
	<b>17,000</b>	<b>(10,800)</b>	<b>6,200</b>

It is expected the net balance of approximately HK\$6,200,000 as intended for Energy Saving business will be utilised by the end of December 2026.

For more details about the 2025 Rights Issue, please refer to the announcements of the Company dated 9 October 2025, 4 December 2025 and 18 December 2025 and the prospectus of the Company dated 17 November 2025.

## BIOGRAPHICAL DETAILS OF DIRECTORS

### EXECUTIVE DIRECTORS

**Mr. Chong Kok Leong (“Mr. Chong”)**, aged 62, was appointed as an executive director of the Company on 1 October 2015. Mr. Chong has also been appointed as director and the General Manager of certain subsidiaries of the Company. Mr. Chong has over 35 years of senior management experience with multinational companies in the Asia Pacific Region, of which 19 years have been in China. The management expertise of Mr. Chong has been with sales & marketing and channel development at regional and country levels, with key responsibilities covering sales & marketing, business strategies and channel development. Prior to joining the Company, Mr. Chong has been the Managing Partner of a successful digital solution and media network company based in Shanghai. From June 2009 to April 2013, Mr. Chong was the Managing Director of PC-Ware (Beijing) Commercial Co., Ltd., where its parent company PC-Ware GmbH was the second largest software distribution and IT solution company in Europe. From February 2006 to April 2009, Mr. Chong worked as the General Manager (Software Division) and the Senior Business Development Director of China of Ingram Micro Asia Holdings Limited, a B2B technology company. From 1996 to 2006, Mr. Chong worked at Hewlett-Packard Asia Pacific, primarily responsible for its channel development in China and South & South East Asian markets. Mr. Chong graduated with a Bachelor’s Degree in Engineering (Mechanical) from the National University of Singapore in 1988, obtained a Master’s Degree in Business Administration from Monash University in Melbourne, Australia in 1993, and was admitted as member of the CPA Australia in 1995.

**Mr. So David Tat Man (“Mr. So”)**, aged 41, was appointed as an executive Director on 1 May 2025. Mr. So holds a bachelor degree in surveying from The Hong Kong Polytechnic University and is a member of The Royal Institution of Chartered Surveyors and The Hong Kong Institute of Directors. Mr. So started his career in the investment department of Savills (Hong Kong) Limited and then worked in a company that specialized in China property investment prior to joining the Company. Mr. So has extensive experience in investment in China and Hong Kong. Mr. So had been an executive director of China Eco-Farming Limited, a company listed on the GEM of the Stock Exchange until 16 August 2024, since January 2014. Mr. So is the committee member of CPPCC Guangxi Zhuang Autonomous Regional Committee.

**Mr. Zhuang Miaozhong (“Mr. Zhuang”)**, aged 57, was appointed as an executive director of the Company on 16 January 2017. Mr. Zhuang has over 16 years of work experience in petroleum industry, which includes working in state-owned enterprises in China, overseas corporations and large-scale enterprises. Mr. Zhuang has extensive knowledge and contacts within this field.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Matthew Pau (“Mr. Pau”)**, aged 60, graduated from the University of Oxford in the United Kingdom with bachelor’s and master’s degrees in Engineering, Economics and Management. Mr. Pau is a Certified Public Accountant in Hong Kong and a Fellow Chartered Accountant in England and Wales. Mr. Pau has over 36 years of experience in finance, auditing and accounting fields. Mr. Pau was a non-executive director of New Trend Lifestyle Group Plc, a company listed on the Alternative Investment Market of the London Stock Exchange, from December 2013 to February 2015. Mr. Pau had been an independent non-executive director of Chinese Food and Beverage Group Limited, a company listed on the GEM of the Stock Exchange until July 2021, from September 2012 to February 2017 and Chinese Strategic Holdings Limited, a company listed on the GEM of the Stock Exchange until May 2022, from June 2017 to September 2017.



## BIOGRAPHICAL DETAILS OF DIRECTORS (continued)

**Mr. Yick Ting Fai Jeffrey (“Mr. Yick”)**, aged 41, obtained a degree of Bachelor of Science from The Hong Kong Polytechnic University in December 2007. Mr. Yick subsequently obtained a Juris Doctor degree and completed the Postgraduate Certificate in Laws (PCLL) from The Chinese University of Hong Kong in December 2009 and July 2010, respectively. Mr. Yick was admitted as a solicitor in Hong Kong in December 2012 and has been a member of The Law Society of Hong Kong since then. Mr. Yick worked as an associate solicitor at Edwards Wildman Palmer from January 2013 to April 2013, upon finishing his traineeship at the firm. From April 2013 to February 2015, Mr. Yick worked in Loong & Yeung as a solicitor. From February 2015 to May 2023, Mr. Yick worked in Cheung & Choy Solicitors as an associate, with emphasis on corporate finance practice. Mr. Yick has been running his own practice since May 2023. Mr. Yick was the company secretary of Hao Tian Development Group Limited (Stock Code: 0474) from April 2015 to July 2015. Mr. Yick had been an independent non-executive director of China Eco-Farming Limited (Stock Code: 8166) from September 2014 to August 2024 and Mengke Holdings Limited (Stock Code:1629) from November 2016 to December 2018. In 2024, Mr. Yick also obtained the professional qualification as Greater Bay Area Lawyer.

**Ms. Yuen Wai Man (“Ms. Yuen”)**, aged 53, was appointed as an independent non-executive director of the Company on 22 June 2023. Ms. Yuen was an independent non-executive director of the Company from November 2012 to November 2017. Ms. Yuen graduated from The University of Hong Kong with a Bachelor Degree in Business Administration in 1994. Ms. Yuen is the fellow member of both The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants, and also the overseas member of The Chinese Institute of Certified Public Accountants. Ms. Yuen (i) has been an independent non-executive director of Jisheng Group Holdings Limited (Stock Code: 8133), a company listed on the GEM of the Stock Exchange, since April 2022; (ii) has been an independent non-executive director of Silk Road Energy Services Group Limited (Stock Code: 8250), a company listed on the GEM of the Stock Exchange, since December 2024; (iii) had been an independent non-executive director of Chinese Strategic Holdings Limited, a company listed on the GEM of the Stock Exchange until 4 May 2022, for the period from July 2008 to June 2021; (iv) had been an independent non-executive director of China Eco-Farming Limited, a company listed on the GEM of the Stock Exchange until 16 August 2024, for the period from September 2016 to July 2023; and (v) had been an independent non-executive director of Hao Bai International (Cayman) Limited (Stock Code: 8431), a company listed on the GEM of the Stock Exchange, for the period from December 2022 to August 2023. Ms. Yuen is currently the managing director of W.M. Yuen CPA Limited. Ms. Yuen has accumulated extensive working experience in accounting and auditing area for over 30 years.

## DIRECTORS' REPORT

The directors of the Company (the “**Director(s)**”) present this report together with the audited consolidated financial statements of the Group for the Year.

### PRINCIPAL ACTIVITIES

The Group is principally engaged in design and provision of energy saving solutions, provision of loan financing and treasury investments. The principal activities and other particulars of the Company's subsidiaries are set out in note 33 to the consolidated financial statements.

### SEGMENT INFORMATION

An analysis of the Group's revenue and results by principal activities for the Year is set out in note 7 to the consolidated financial statements.

### BUSINESS REVIEW AND COMMENTARY

#### Financial Results

The financial results and business review of the Group for the Year is set out in this annual report under the section of “Management Discussion and Analysis” from pages 3 to 8.

#### Financial Key Performance Indicators

The Group uses the revenue growth, profitability and improvement in net asset value as the key performance indicators (“**KPI**”) to monitor its financial performance and stability.

Revenue stability provides a foundation for the Group's future expansion in this volatility business environment. The revenue decreased from HK\$51,900,000 for the year ended 31 December 2024 to HK\$50,893,000 for the Year, a slightly decrease of 1.9%.

The net asset value has increased from HK\$48,220,000 as at 31 December 2024 to HK\$52,021,000 as at 31 December 2025, showing the improvement in the Group's financial stability. However, the Group still recorded a loss for its operation.

#### Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. In addition to those shown below, there may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.



## DIRECTORS' REPORT (continued)

## BUSINESS REVIEW AND COMMENTARY (continued)

### Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and department levels. The Group recognises that operational risks cannot be eliminated completely and that it may not always be cost-effective to do so.

Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. Functions such as, but not limited to, internal audit or internal control review have provided assurance on the internal control framework. Key operational risk exposures are communicated to senior management as early as possible so that appropriate risk response can be taken.

### Credit Risk

For the loan financing business, upon receiving a loan application, know-your-customer procedures will firstly be carried out and credit risk assessment will then be conducted. Background of a potential client (for a corporate client, the background of its beneficial owner(s) will also be reviewed), purpose of the loan, source of fund for repayment, or guarantee (if applicable) and all information which is regarded as necessary will be considered before granting of the loan.

For mortgage loans, the Group will carry out land searches for proof of the property ownership, and will make reference to two valuations for comparison with the lower one be used for the calculation of LTV. The LTV ratio will generally not be higher than 80%. The credit assessment results will be approved by another director at the subsidiary level.

For personal loans, senior level of approval is required for the drawdowns exceeding a designated threshold level.

If the Group takes no satisfaction with the credit assessment results, it may reject the applications, or, alternatively, requests clients to provide additional security or guarantee to enhance the creditworthiness.

Even though the Group has taken the above credit assessment, it may still be exposed to credit risk. The finance department will keep monitoring the repayment situation of the granted loans on monthly basis and will report the assessment results to senior management as well. Loan recovery actions will be undertaken to ensure the repayment of the loans.

### Currency Exchange Exposure

During the Year, the Group's business activities as well as its assets and liabilities were mainly denominated in Hong Kong dollar and Renminbi. The Group uses natural hedging to manage its transactions and assets or liabilities that were denominated in Renminbi; thus, their exchange differences might have offset each other. The Group considers its currency exchange risk immaterial for the Year. The Group will continue to monitor exchange differences and will consider hedging the risk exposure should the need arise.

## DIRECTORS' REPORT (continued)

### BUSINESS REVIEW AND COMMENTARY (continued)

#### Risk of Non-Compliance

The loan financing business is operated pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). After the credit risk assessment is approved, the customer service team will respond to the potential client the target loan amount and if the potential client agrees to it, loan documents (including mortgage/guarantee documents) will be prepared internally or if applicable, by legal advisers. The Compliance Officer will ensure that its operation is in compliance with that ordinance.

Size tests for the drawdown will be assessed by the finance department or by the financial adviser to ascertain whether there are any rules implications of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for granting a loan. If a drawdown constitutes a notifiable transaction, the Directors will be informed, and such loan will be subject to the Board's approval and relevant disclosure will be made as required under the Listing Rules.

To reduce the risk of non-compliance, the Group would consult its legal adviser and financial adviser for any doubt about the requirement.

#### Market Risks

##### PRC government policy

The energy saving industry is identified as one of the key industries and is backed by the PRC government. The PRC government will continue to commit to reduce carbon dioxide emissions per unit of GDP and aim to cut energy intensity. While the PRC government remains supportive in the area of energy saving and environment protection, there is no assurance that the PRC government will continue to pursue favorable policies towards the energy saving industry, or its favorable policies will not change in the future in a manner adverse to our business. In view of the Group's reliance on government support and incentives for its business, any revision, change or abolition of the PRC government's policies towards the energy saving industry could have an adverse effect on the business, financial condition and results of operations of the Group.

##### PRC economic downturn

The Group generates its revenue mainly from the design and provision of energy saving solutions and implementation of such operation systems for commercial and industrial buildings in the PRC. Demand for the Group's products or services depends on capital expenditure of commercial and industrial buildings on energy savings and the existence of service requirements. Any period of economic downturn in the PRC would reduce market demand for energy management systems, and a prolonged decline in market demand would have an adverse effect on the business, financial condition and results of operations of the Group.

##### Market competition

The Group faces competition against other energy saving service providers. Therefore, there is no assurance that the Group will be able to compete successfully against its current and future competitors.

#### Other Risks

In the course of its business activities, other than the abovementioned risks, the Group is exposed to other risks, including liquidity, currency and interest rate. These may pose significant risks to the Group's financial condition, results of operations and businesses. The financial risk management objectives and policies of the Group can be found in note 5 to the consolidated financial statements.



## **DIRECTORS' REPORT** (continued)

### **BUSINESS REVIEW AND COMMENTARY** (continued)

#### **Relationship with Employees, Customers and Suppliers**

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its business goals. During the Year, there were no significant dispute between the Group and its employees, customers and suppliers.

#### **Environmental Policy and Performance**

The Group has a strong commitment towards environmental protection. It is the Group's policy to encourage and promote awareness towards environmental protection among our employees. It has implemented green office practices such as double-sided printing and copying, promoting the use of recycled paper and reducing energy consumption by switching off idle lighting and electrical appliances in the Group's offices.

The management will review the Group's environmental practices from time to time and will consider implementing further ecology friendly measures and practices in the operation to enhance environmental protection and sustainability.

#### **Compliance with Laws and Regulations**

During the Year, due to the inadvertence, the Company failed to deliver to the Registrar of Companies a return in the specified form reporting the allotment of new ordinary shares within the specified time for such filing and was regarded as noncompliance with Sections 142(1) and 142(3) of the Companies Ordinance. Other than that, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance, including a discussion of an indication of the likely future developments in the Group's business, the Group's environmental policy and performance, can be found in the "MANAGEMENT DISCUSSION AND ANALYSIS", "CORPORATE GOVERNANCE REPORT", "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT" and "SUMMARY OF FINANCIAL INFORMATION" sections of this annual report. The above sections form parts of this Directors' Report.

### **RESULTS AND APPROPRIATIONS**

The results of the Group for the Year are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 61.

The Directors do not recommend the payment of a final dividend for the Year (2024: Nil). No interim dividend was declared for the Year.

### **DONATIONS**

The Group did not make any charitable donations during the Year (2024: Nil).

### **SUMMARY OF FINANCIAL INFORMATION**

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 142.

## DIRECTORS' REPORT (continued)

### PROPERTY, PLANT AND EQUIPMENT

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

### DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no reserves available for distribution, which were calculated in accordance with Sections 297 and 298 of Part 6 of the Companies Ordinance (2024: Nil).

### DIVIDEND POLICY

The Company has adopted a dividend policy that aims to enhance the shareholders' value. The following parameters/factors shall be considered by the board of Directors (the "**Board**") for declaration of dividend:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

The payment of dividend is also subject to any restrictions under the applicable laws, the Company's articles of associations (the "**Articles of Associations**").

The policy shall be reviewed periodically by the Board.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 31 to the consolidated financial statements.

### RESERVES

Details of movements in the reserves of the Group and of the Company during the Year are set out in the Consolidated Statement of Changes in Equity on page 64 and the note 32 to the consolidated financial statements, respectively.



## DIRECTORS' REPORT (continued)

### SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 33 to the consolidated financial statements.

### DIRECTORS

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

#### Executive Directors:

Mr. Cheng Lut Tim (resigned on 19 December 2025)

Mr. Chong Kok Leong

Mr. Mok Tsan San (resigned on 1 April 2025)

Mr. So David Tat Man (appointed on 1 May 2025)

Mr. Zhuang Miao Zhong

#### Independent Non-executive Directors:

Ms. Li Liming (resigned on 31 December 2025)

Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)

Ms. Yuen Wai Man

Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)

Mr. Matthew Pau (appointed on 1 February 2026)

In accordance with Article 110 of the Articles of Association, Mr. So David Tat Man, Mr. Yick Ting Fai Jeffrey and Mr. Matthew Pau will retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "AGM").

In accordance with Article 120 of the Articles of Association, Ms. Yuen Wai Man will retire by rotation and, being eligible, offer herself for re-election at the forthcoming AGM.

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### SERVICE CONTRACT OF DIRECTORS

Each of Mr. Chong Kok Leong, Mr. So David Tat Man and Mr. Zhuang Miao Zhong has entered into a service contract/letter of appointment with the Company for a term of one year.

Each of Mr. Matthew Pau, Mr. Yick Ting Fai Jeffrey and Ms. Yuen Wai Man has entered into a letter of appointment with the Company for a term of one year.

**DIRECTORS' REPORT** (continued)**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION**

As at 31 December 2025, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

**(i) Long positions in share options of the Company**

<b>Name of Director</b>	<b>Number of share options beneficially owned</b>
Mr. Chong Kok Leong	155,442
Mr. Zhuang Miao Zhong	62,177

\* Details of the Share Option Scheme are set out in the section headed "Share Option Scheme" of the Directors' Report.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register of interests required to be kept under Section 352 of the SFO or were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



## DIRECTORS' REPORT (continued)

### SHARE OPTION SCHEME

The Company terminated its old share option scheme and adopted a new share option scheme by the Shareholders on 2 June 2023 (the "**Share Option Scheme**") which shall be valid and effective for a period of ten years from the date of adoption. Accordingly, the Share Option Scheme will be expired on 1 June 2033.

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any invested entity. Participants include any employee (whether full time or part time), any executive Director and any non-executive Director (including independent non-executive Director), or any of its subsidiaries or invested entity in which any member of the Group holds any equity interest, any shareholder of any member of the Group or any invested entity or any holder of any securities issued or proposed to be issued by any member of the Group or any invested entity and any other person (such as consultant, adviser, business partner or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group.

Under the Share Option Scheme, where any further grant of options to an eligible participant, if exercised in full, would result in the total number of shares already issued or to be issued upon exercise of all options granted and to be granted to such eligible participant (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of shares in issue (the "**Individual Limit**"), such further grant must be separately approved by the Shareholders in general meeting. Save for the foregoing, no eligible participant shall be granted an option if exercised in full, would exceed the Individual Limit. In addition, where any grant of options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the share, such offer and acceptance thereof must be conditional upon approval by the Shareholders in a general meeting with such person, his associates and all core connected persons of the Company abstaining from voting in favour of the relevant resolution.

A consideration of HK\$1 is payable on acceptance of the grant of an option. An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. An option may be exercised in whole or in part by the grantee within the option period as determined and notified by the Board to the grantee.

The Company had completed rights issue on 18 December 2025. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of rights issue, the exercise price of share options outstanding was adjusted to approximately HK\$5.38 per Share and the total number of share options outstanding was adjusted to 761,873 Shares with effect from 19 December 2025.

As at 31 December 2025, the total number of Shares which may fall to be allotted and issued pursuant to the exercise of share options that may be granted under the refreshed Scheme Mandate Limit together with all outstanding share options granted and yet to be exercised, being a total of 9,966,916 Shares, representing 2.72% of the issued share capital of the Company.

**DIRECTORS' REPORT** (continued)**SHARE OPTION SCHEME** (continued)

The maximum number of Shares which may be allotted and issued upon the exercise of all share options shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders (the "Scheme Mandate Limit"), and the existing Scheme Mandate Limit was refreshed and approved by the Shareholders in the AGM held on 2 June 2023.

Notwithstanding the foregoing, the maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued shares of the Company from time to time.

On 19 June 2020, a total of 116,203,500 options had been granted pursuant to the old scheme at an exercise price of HK\$0.066 per Share under the Scheme Mandate Limit.

In respect to the share options granted on 19 June 2020, the closing price of the Shares immediately before the date of grant on which the options were granted was HK\$0.055 per Share. The estimated fair value of the share options granted was measured based on Binomial Option Pricing Model, further details of which were given in note 36 to the financial statements of the 2020 Annual Report. The aggregate value of share options granted to each class of grantees was approximately HK\$2,900,000, comprising HK\$518,000 to Directors and HK\$2,382,000 to employees. During the year ended 31 December 2020, the group recognised equity-settled share-based payment of approximately HK\$2,900,000 in relation to the share options granted by the Company. The details of the estimated fair value of the share options granted is set out below:

<b>Grantees</b>	<b>Position</b>	<b>Number of share options granted</b>	<b>Estimated fair value of share options granted HK\$'000</b>
Chong Kok Leong	Executive Director	12,678,600	340
Zhuang Miao Zhong	Executive Director	5,071,400	136
Choy Hiu Fai, Eric	Independent Non-executive Director	507,200	14
Huang Lizhi	Independent Non-executive Director	507,200	14
Ng Kay Kwok	Independent Non-executive Director	507,200	14
Employees		96,931,900	2,382
<b>Total</b>		<b>116,203,500</b>	<b>2,900</b>



## DIRECTORS' REPORT (continued)

### SHARE OPTION SCHEME (continued)

The exercise prices and the total number of share options were adjusted subsequently as follows:

The Company had completed share consolidation on 26 August 2020. Adjustments were made to the exercise prices and the number of consolidated shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the share consolidation, the exercise price of share options outstanding was adjusted to HK\$0.66 per consolidated share and the total number of share options outstanding was adjusted to 11,620,350 consolidated shares.

The Company had completed rights issue on 14 December 2020. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of rights issue, the exercise price of share options outstanding was adjusted to HK\$0.656 per Share and the total number of share options outstanding was adjusted to 11,683,849 Shares with effect from 14 December 2020.

The Company had completed rights issue on 16 January 2023. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of rights issue, the exercise price of share options outstanding was adjusted to HK\$0.57 per Share and the total number of share options outstanding was adjusted to 7,254,877 Shares with effect from 16 January 2023.

The Company had completed share consolidation on 8 February 2024. Adjustments were made to the exercise prices and the number of consolidated shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the share consolidation, the exercise price of share options outstanding was adjusted to HK\$5.7 per consolidated share and the total number of share options outstanding was adjusted to 719,614 consolidated shares.

The Company had completed rights issue on 28 March 2024. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of rights issue, the exercise price of share options outstanding was adjusted to approximately HK\$5.76 per Share and the total number of share options outstanding was adjusted to 712,418 Shares with effect from 28 March 2024.

The Company had completed rights issue on 18 December 2025. Adjustments were made to the exercise prices and the number of Shares falling to be issued in respect of the outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the supplementary guidance dated 5 September 2005 issued by the Stock Exchange. As a result of the completion of rights issue, the exercise price of share options outstanding was adjusted to approximately HK\$5.38 per Share and the total number of share options outstanding was adjusted to 761,873 Shares with effect from 19 December 2025.

## DIRECTORS' REPORT (continued)

## SHARE OPTION SCHEME (continued)

As at 31 December 2025, the total number of Shares which may fall to be allotted and issued pursuant to the exercise of share options that may be granted under the refreshed Scheme Mandate Limit together with all outstanding share options granted and yet to be exercised, being a total of 9,966,916 Shares, representing 2.72% of the issued share capital of the Company.

Details of the share options movements during the Year under the Share Option Scheme are as follows:

Name of category	Date of grant of share options	Outstanding as at 01.01.2025	Granted during the Year	Exercised during the Year	Number of share options			Outstanding as at 31.12.2025	Validity period of share options	Exercise price (Note 1) (Note 2) (Note 3) (Note 4) (Note 5) (Note 6)
					Adjustment for completion of Rights Issue (Note 6)	Lapsed during the Year	Cancelled during the Year			
<b>Directors</b>										
Mr. Chong Kok Leong	19.06.2020	145,352	-	-	10,090	-	-	155,442	01.01.2021 to 31.12.2025	HK\$5.38
Mr. Zhuang Miao Zhong	19.06.2020	58,141	-	-	4,036	-	-	62,177	01.01.2021 to 31.12.2025	HK\$5.38
Subtotal		203,493	-	-	14,126	-	-	217,619		
<b>Employees</b>										
	19.06.2020	508,925	-	-	35,329	-	-	544,254	01.01.2021 to 31.12.2025	HK\$5.38
Total		712,418	-	-	49,455	-	-	761,873		

## Notes:

- Reference is made to the Company's announcement dated 24 August 2020. On 26 August 2020, the exercise price and number of share options had been adjusted from HK\$0.066 to HK\$0.66, and from 116,203,500 shares to 11,620,350 shares, respectively, as a result of the share consolidation.
- Reference is made to the Company's announcement dated 11 December 2020. On 14 December 2020, the exercise price and number of share options had been adjusted from HK\$0.66 to HK\$0.656, and from 11,620,350 shares to 11,683,849 shares, respectively, as a result of the completion of rights issue.
- Reference is made to the Company's announcement dated 13 January 2023. On 16 January 2023, the exercise price and number of share options had been adjusted from HK\$0.656 to HK\$0.57, and from 6,299,145 shares to 7,254,877 shares, respectively, as a result of the completion of rights issue.
- Reference is made to the Company's announcement dated 6 February 2024. On 8 February 2024, the exercise price and number of share options had been adjusted from HK\$0.57 to HK\$5.7, and from 7,196,143 shares to 719,614 shares, respectively, as a result of the share consolidation.
- Reference is made to the Company's announcement dated 27 March 2024. On 28 March 2024, the exercise price and number of share options had been adjusted from HK\$5.7 to approximately HK\$5.76, and from 719,614 shares to 712,418 shares, respectively, as a result of the completion of rights issue.
- Reference is made to the Company's announcement dated 18 December 2025. On 19 December 2025, the exercise price and number of share options had been adjusted from HK\$5.76 to approximately HK\$5.38, and from 712,418 shares to 761,873 shares, respectively, as a result of the completion of rights issue.



## **DIRECTORS' REPORT** (continued)

### **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

Save as disclosed under the sections headed "SHARE OPTION SCHEME" and "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION" above, at no time during the Year did there subsist any arrangements to which the Company or the Company's subsidiary or holding company or a subsidiary of the Company's holding company is a party, being arrangements whose objects are, or one of whose objects is, to enable Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### **DIRECTORS OF SUBSIDIARIES**

During the Year and up to the date of this report, Mr. Chong Kok Leong, Mr. So David Tat Man and Mr. Zhuang Miaozhong are directors of certain subsidiaries of the Company.

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

As at 31 December 2025, so far as is known to the Directors, other than Directors and the chief executive of the Company, no other party held interests or short position (directly or indirectly) in the Shares or underlying Shares were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the Year, none of the Directors was considered to have interests in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

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

Save as disclosed elsewhere, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director of the Company or his or her core connected persons had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

### **MATERIAL RELATED PARTY TRANSACTIONS**

Details of the material related party transactions undertaken during the Year are provided under note 37 to the consolidated financial statements. These related party transactions may fall under the definition of connected transaction or continuing connected transaction as defined in the Listing Rules, but are exempted from the reporting, announcement, Shareholders' approval and annual review requirements.

### **EQUITY-LINKED ARRANGEMENTS**

Except for share options granted, details of which are disclosed in note 36 to the consolidated financial statements of the Company, the Company had no other equity-linked arrangements during the Year and subsisted as at 31 December 2025.

## DIRECTORS' REPORT (continued)

### MANAGEMENT CONTRACTS

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

### EMOLUMENT POLICY

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in notes 13 and 14 to the consolidated financial statements, respectively.

The emolument policy of the directors and senior management of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The Directors' emoluments are recommended by the Remuneration Committee and approved by the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

Details of the emolument of the senior management of the Company by band are set in note 13 to the consolidated financial statements of the Company.

### PURCHASE, SALE OR REDEMPTION OF SHARES

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

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group's revenue attributed to the five largest customers accounted for approximately 63% of the Group's total revenue while the Group's revenue attributed to the largest customer accounted for approximately 27% of the Group's total revenue.

During the Year, the Group's cost of sales attributed to the five largest suppliers accounted for approximately 69% of the Group's total cost of sales while the Group's cost of sales attributed to the largest supplier accounted for approximately 26% of the Group's total cost of sales.

To the best knowledge of the Directors, none of the Directors or any of their respective close associates or any shareholder of the Company (which, to the knowledge of the Directors, own more than 5% of the Company's issued shares) has interests in these customers and suppliers.

### RETIREMENT BENEFIT SCHEME

The employer's retirement benefit costs charged to the profit or loss for the Year are set out in note 11 to the consolidated financial statements, and details of the retirement benefit scheme are set out in note 35 to the consolidated financial statements.



## DIRECTORS' REPORT (continued)

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed sufficient public float during the Year and up to the date of this report.

### INDEMNITY OF DIRECTORS

A permitted indemnity provision that provides for indemnity against liability incurred by Directors is currently in force and was in force throughout the Year.

### AUDITORS

HLB Hodgson Impey Cheng CPA Limited ("**HLB**") has resigned as the auditor of the Company with effect from 8 October 2024. Prism Hong Kong Limited ("**Prism**") has been appointed as the auditor of the Company with effect from 5 November 2024 to fill the casual vacancy following the resignation of HLB. References are made to the announcements of the Company dated 8 October 2024, 16 October 2024 and 5 November 2024. Save as disclosed herein, there has been no other change in auditors of the Group in the preceding three years.

The consolidated financial statements of the Company for the Year were audited by Prism. Prism will retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming AGM.

For and on behalf of the Board

**So David Tat Man**

*Executive Director*

Hong Kong, 27 March 2026

## CORPORATE GOVERNANCE REPORT

The Company is committed to maintain a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Company and to the enhancement of Shareholders' value.

### CORPORATE GOVERNANCE CODE

Throughout the Year, the Company applied the principles of and complied with the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules save for the following deviations:

Under code provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors should generally attend general meetings and develop a balanced understanding of the views of shareholders. An independent non-executive Director was absent from the general meetings of the Company due to her other important engagements at the relevant time.

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive ("**CE**") should be separate and should not be performed by the same individual. The Company did not appoint any chairman or CE during the Year on the ground that the functions of the chairman and CE are performed by the four executive Directors collectively. The Board will review the current practice from time to time and make appropriate changes if considered necessary.

Under code provision C.2.7 of the CG Code, the chairman of the board should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without presence of the executive directors. As the Company does not have a chairman, no such meeting was held during the Year.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the Year.

### CONSTITUTIONAL DOCUMENTS

During the Year, there had been no change in the Company's constitutional documents.

### ESG POLICIES AND PERFORMANCE

Throughout the Year, the Company has complied with the "comply or explain" provisions set out in the ESG Reporting Guide. Information about the Company's ESG policies and performance is set out in the Environmental, Social and Governance Report on page 39.



## CORPORATE GOVERNANCE REPORT (continued)

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has not appointed chairman and chief executive officer, and the roles and functions of those have been performed by three executive Directors collectively, including but not limited to: (i) properly briefing on issues arising at board meeting by the chairman of the meeting; (ii) ensuring good corporate governance practices and procedures are established; encouraging other Directors to make a full and active contribution to the Board's affairs and ensuring that it acts in the best interests of the Group; (iii) encouraging every Director with different views to voice their concerns; (iv) allowing sufficient time for discussion of issues and ensuring that Board decision fairly reflect Board's consensus; (v) providing effective communication with shareholders and that their views are communicated to the Board as a whole; (vi) promoting a culture of openness and debate by facilitating the effective contribution of independent non-executive Directors; (vii) ensuring constructive relations between executive Directors and independent non-executive Directors; and (viii) managing the day-to-day business of the Company. The Board believes that the Directors have their unique expertise and functions well within the Company.

The company secretary of the Company (the "**Company Secretary**") assists the Board in setting out and finalizing the agenda, after taking into account any matters proposed by any other Directors and ensure adequate information being received by the Directors in a timely manner in advance of the intended meeting date and ensuring good corporate governance practices and procedures are in place.

The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experience and high caliber individuals with sufficient number thereof being independent non-executive Directors.

### BOARD OF DIRECTORS

The Board currently comprises six Directors, with three executive Directors and three independent non-executive Directors. The composition of the Board is as follows:

**Executive Directors:**

Mr. Chong Kok Leong  
Mr. So David Tat Man (appointed on 1 May 2025)  
Mr. Zhuang Miao Zhong

**Independent Non-executive Directors:**

Mr. Matthew Pau (appointed on 1 February 2026)  
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)  
Ms. Yuen Wai Man

The brief biographical details of the Directors are set out in the "BIOGRAPHICAL DETAILS OF DIRECTORS" section from pages 9 to 10. Save as disclosed in this annual report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

The independent non-executive Directors, with sound professional expertise and experience, have actively participated in the Board and committee meetings and brought independent judgment on issues relating to the Group's strategy, performance and management process. They have also taken up various roles in the Board committees.

**CORPORATE GOVERNANCE REPORT** (continued)**BOARD OF DIRECTORS** (continued)

As at the date of this report, the Company has three independent non-executive Directors representing not less than one-third of the Board with at least one of the independent non-executive Directors has the appropriate professional qualifications or related financial management expertise under Rule 3.10(2) of the Listing Rules. The Board has received from each independent non-executive Director an annual confirmation of his/her independence and considers that all the independent non-executive Directors are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The independent non-executive Directors have been expressly identified as such in all corporate communications and the website of the Company that disclose the names of Directors. The independent non-executive Directors were appointed for a fixed term, subject to retirement by rotation and re-election requirements under the Articles of Association.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group in addition to the meetings for reviewing and approving the Group's annual and interim results.

During the Year, the Board passed several written resolutions and held seven Board meetings and one AGM. Details of the attendance of the Directors are as follows:

	Attendance of	
	Board meetings	Annual general meeting
<b>Executive Directors:</b>		
Mr. Cheng Lut Tim (resigned on 19 December 2025)	6/7	0/1
Mr. Chong Kok Leong	7/7	1/1
Mr. Mok Tsan San (resigned on 1 April 2025)	1/1	0/0
Mr. So David Tat Man (appointed on 1 May 2025)	5/5	1/1
Mr. Zhuang Miao Zhong	7/7	0/1
<b>Independent Non-executive Directors:</b>		
Ms. Li Liming (resigned on 31 December 2025)	4/7	1/1
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)	7/7	1/1
Ms. Yuen Wai Man	7/7	1/1
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)	0/0	0/0
Mr. Matthew Pau (appointed on 1 February 2026)	0/0	0/0

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, financial performance, recommendations on Directors' appointment or re-appointment, material contracts and transactions as well as other significant policy and financial matters.

The day-to-day management, administration and operation of the Group are delegated to the executive Directors of the Company. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the executive Directors.



## CORPORATE GOVERNANCE REPORT (continued)

### BOARD OF DIRECTORS (continued)

Each year, Board meetings, which are scheduled in advance to facilitate maximum attendance of Directors, are held as required by business needs. At least 14 days' notice of a Board meeting is given to all Directors for the regular meetings who are given an opportunity to include matters for discussion in the agenda. To accommodate Directors' schedules, one of the regular board meetings was convened by giving the notice of less than 14 days during the year. For all other board meetings, reasonable notices have been given to all Directors generally prior to meetings, except in cases of emergency. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting. All minutes are kept by the Company and are open for inspection at any reasonable time on reasonable notice by any Director.

According to the current Board practice, any transaction which involves a conflict of interest with a substantial shareholder or a Director and is considered by the Board to be material will be dealt with by the Board at a duly convened Board meeting. The Articles of Association also stipulate that a Director should abstain from voting and not be counted in the quorum at meetings for approving transactions in which such Director or any of his associates have a material interest therein. In addition, he has to declare his interests therein in accordance with the Articles of Association.

Every Director is entitled to have access to board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be updated continuously on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

According to the Articles of Association, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) should retire from office by rotation. Further, any Directors appointed to fill a casual vacancy or as an addition to the Board should hold office only until the first AGM after his appointment, and shall then be eligible for re-election at the relevant meeting. Every Director shall be subject to retirement by rotation at least once every three years.

### INDEPENDENT NON-EXECUTIVE DIRECTOR

All independent non-executive Directors were appointed for a specific term with effect from their respective appointment dates. All of them are subject to the relevant provisions in the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office.

### BOARD COMMITTEES

The Board has established three committees, namely, the nomination committee (the "**Nomination Committee**"), the remuneration committee (the "**Remuneration Committee**") and the audit committee of the Company (the "**Audit Committee**"). Each of them has its specific written terms of reference or guidelines. Copies of minutes of all meetings and resolutions of the committees, which are duly kept by the Company, are circulated to all committee members. The committees are required to report back to the Board on their decisions and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned on pages 26 to 28 in the section "BOARD OF DIRECTORS" above, have been adopted for the committee meetings as far as practicable.

## CORPORATE GOVERNANCE REPORT (continued)

### BOARD COMMITTEES (continued)

#### Nomination Committee

The Nomination Committee has been established since June 2005. As at the date of this report, the Nomination Committee comprises three independent non-executive Directors namely, Ms. Yuen Wai Man (chairman of the Nomination Committee), Mr. Matthew Pau and Mr. Yick Ting Fai Jeffrey.

The major roles and functions of the Nomination Committee are:

- (i) to review the structure, size, composition and diversity (including but not limited to skills, knowledge, gender, age, cultural and educational background or professional experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) to identify suitably qualified individuals to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships on merits and against objective criteria, with due regard on the benefits of diversity on the Board;
- (iii) to assess the independence of independent non-executive Directors;
- (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the chief executive of the Company, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future;
- (v) to review the Board Diversity Policy and the Nomination Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy and the Nomination Policy and the progress on achieving the objectives, and make disclosure of its review results in the Corporate Governance Report annually;
- (vi) to perform its duties with sufficient resources made available to it and seek independent professional advice, at the Company's expense, to perform its responsibilities when necessary;
- (vii) to do any such things to enable the Committee to perform its powers and functions conferred on it by the Board; and
- (viii) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation.

The terms of reference of the Nomination Committee were adopted in June 2005 and revised on 31 December 2018 and have been posted on the Stock Exchange's website and the Company's website.



**CORPORATE GOVERNANCE REPORT** (continued)**BOARD COMMITTEES** (continued)**Nomination Committee** (continued)

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board. Accordingly, selection of candidates to the Board is based on a range of measurable objectives, including but not limited to independence, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, having due regard to the Company's own business model and specific needs from time to time. With the existing Board members coming from a variety of business and professional background, the Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business.

During the Year, the Nomination Committee passed one written resolution and held five meetings to make recommendations to the Board on the re-appointment of Directors, the review of the existing structure, size, composition and diversity of the Board, the re-election of retiring Directors and independence of independent non-executive Directors.

The attendance of each Nomination Committee member is set out as follows:

<b>Nomination Committee members</b>	<b>Number of Nomination Committee meetings attended/eligible to attend</b>
Ms. Yuen Wai Man ( <i>Chairman</i> )	5/5
Ms. Li Liming (resigned on 31 December 2025)	3/5
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)	5/5
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)	0/0
Mr. Matthew Pau (appointed on 1 February 2026)	0/0

**Nomination Policy**

The nomination policy of the Group (the "**Nomination Policy**") is in place and was adopted in writing taking into consideration the revised Listing Rules effective from 1 January 2019. The Nomination Policy sets out the procedures, process and criteria for identifying and recommending candidates for election to the Board.

## CORPORATE GOVERNANCE REPORT (continued)

### BOARD COMMITTEES (continued)

#### Remuneration Committee

The Remuneration Committee has been established since June 2005. As at the date of this report, the Remuneration Committee comprises three independent non-executive Directors namely, Ms. Yuen Wai Man (chairman of the Remuneration Committee), Mr. Matthew Pau and Mr. Yick Ting Fai Jeffrey. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice in accordance with the Company's policy if considered necessary.

The major roles and functions of the Remuneration Committee are:

- (i) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (iii) to make recommendations to the Board on the remuneration of non-executive Directors;
- (iv) to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;
- (v) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (vi) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (vii) to ensure that no Director or any of his associates is involved in deciding his/her own remuneration;
- (viii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- (ix) to ensure that the Company shall disclose details of any remuneration payable to the senior management in the annual reports.

The terms of reference of the Remuneration Committee were adopted in June 2005 and revised on 28 March 2013 and have been posted on the Stock Exchange's website and the Company's website.

The Remuneration Committee shall meet at least once a year. During the Year, the Remuneration Committee passed two written resolutions and held five meetings to review the remuneration packages of the Board, the re-appointment of executive Directors and independent non-executive Directors and review the existing remuneration packages of the Board.



## CORPORATE GOVERNANCE REPORT (continued)

### BOARD COMMITTEES (continued)

#### Remuneration Committee (continued)

The attendance of each Remuneration Committee member is set out as follows:

Remuneration Committee members	Number of Remuneration Committee meetings attended/eligible to attend
Ms. Yuen Wai Man ( <i>Chairman</i> )	5/5
Ms. Li Liming (resigned on 31 December 2025)	3/5
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)	5/5
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)	0/0
Mr. Matthew Pau (appointed on 1 February 2026)	0/0

The remuneration payable to Directors will depend on their respective contractual terms under their service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 13 to the consolidated financial statements.

#### Audit Committee

As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Ms. Yuen Wai Man (chairman of the Audit Committee), Mr. Matthew Pau and Mr. Yick Ting Fai Jeffrey. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary.

During the Year, the Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2024 and the interim financial report for the six months ended 30 June 2025, including the accounting principles and practice adopted by the Group.

The audited final results for the Year has been reviewed by the Audit Committee. The major roles and functions of the Audit Committee are:

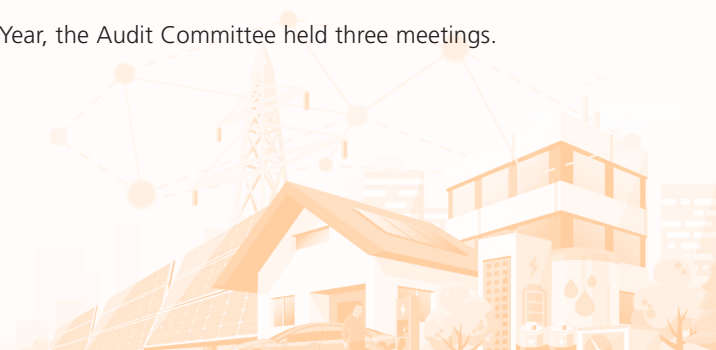
- (i) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of its resignation or dismissal;
- (ii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;

**CORPORATE GOVERNANCE REPORT** (continued)**BOARD COMMITTEES** (continued)**Audit Committee** (continued)

- (iii) to develop and implement policy on engaging an external auditors to supply non-audit services. For this purpose, "external auditors" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (iv) to monitor integrity of financial statements of the Company and its annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them;
- (v) to review the Company's financial reporting systems, risk management and internal control systems;
- (vi) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have an effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (vii) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (viii) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (ix) to review the Group's financial and accounting policies and practices;
- (x) to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;
- (xi) to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;
- (xii) to report to the Board on the matters set out in the CG Code; and
- (xiii) to consider other topics, as defined by the Board.

The terms of reference of Audit Committee were adopted in January 2009 and revised on 31 December 2018 and have been posted on the Stock Exchange's website and the Company's website.

The Audit Committee shall meet at least twice a year. During the Year, the Audit Committee held three meetings.



## CORPORATE GOVERNANCE REPORT (continued)

### BOARD COMMITTEES (continued)

#### Audit Committee (continued)

During the Year, the Audit Committee had performed the work as summarised below:

- (i) recommended to the Board for the re-appointment of the Group's auditors for the Year;
- (ii) reviewed the letter of representation and the financial statements for the year ended 31 December 2024 and recommended the same to the Board for approval;
- (iii) reviewed the financial statements for the six months ended 30 June 2025 and recommended the same to the Board for approval;
- (iv) discussed the effectiveness of the internal control and risk management systems throughout the Group, including financial, operational and compliance controls;
- (v) reviewed the resignation of the previous auditor and recommended to Board the appointment of new auditor;
- (vi) discussed the engagement of professional party for the environmental, social and governance reporting of the Group; and
- (vii) met with the auditor of the Company regarding the pre-audit matters for preparation of the audited financial statements for the Year.

The attendance of each Audit Committee member is set out as follows:

<b>Audit Committee members</b>	<b>Number of Audit Committee meetings attended/eligible to attend</b>
Ms. Yuen Wai Man ( <i>Chairman</i> )	3/3
Ms. Li Liming (resigned on 31 December 2025)	1/3
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)	3/3
Mr. Yick Ting Fai Jeffrey (appointed on 1 January 2026)	0/0
Mr. Matthew Pau (appointed on 1 February 2026)	0/0

## CORPORATE GOVERNANCE REPORT (continued)

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Directors acknowledge their responsibility for preparing, with support from the accounting department, the consolidated financial statements of the Group. In preparing the consolidated financial statements for the Year, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules and the Companies Ordinance were complied with. The financial statements were prepared on a going concern basis.

The reporting responsibilities of the Company's external auditors, Prism, are set out in the Independent Auditors' Report on pages 56 to 60.

#### Internal Control and Risk Management Systems

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee considers the adequacy of resources, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting functions.

The management of the Group is responsible for designing, maintaining, implementing and monitoring the risk management and internal control system to ensure adequate control is in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle all significant risks associated with the business of the Group. The Board conducts an annual review on any significant change of the business environment and establish procedures to respond the risks resulting from significant change in business environment. The risk management and internal control systems are designed to mitigate potential losses of business.

The management identifies risks associated with the business of the Group by considering both internal and external factors and events which include politics, economy, technology, environment, society and staff. Each type of risks has been assessed and prioritized based on their relevant impact and possibility of occurrence. The relevant risk management strategy will be applied to each type of risks according to the assessment results, and the types of risk management strategy are listed as follows:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market; and
- Risk transfer: transfer ownership and liability to a third party.



## CORPORATE GOVERNANCE REPORT (continued)

### ACCOUNTABILITY AND AUDIT (continued)

#### Internal Control and Risk Management Systems (continued)

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact resulting from the risks. The risk management and internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For the Year, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. No significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the Year.

The Board considered that, for the Year, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions, were reasonably effective and adequate.

The Company regulates the handling and dissemination of inside information as set out in the code of conduct to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

#### External Auditors' Remuneration

During the Year, the remuneration payable to the Company's external auditors is set out as follows:

<b>Services rendered for the Group</b>	<b>Fee payable 2025 HK\$'000</b>
– Statutory audit services	<b>750,000</b>
– Reporting accountant for provision of comfort letter	<b>150,000</b>

### CORPORATE GOVERNANCE FUNCTION

The Board is also responsible for performing the corporate governance duties with its written terms of reference as set out below:

- (i) to develop and review the Company's policies and practices on corporate governance;
- (ii) to review and monitor the training and continuous professional development of the Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. During the Year, the Board has reviewed the policy of the corporate governance and the corporate governance report of the Company.

**CORPORATE GOVERNANCE REPORT** (continued)**TRAINING FOR DIRECTORS**

Every newly appointed Director will receive an information package from the Company on the first occasion of his/her appointment. This information package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a Director pursuant to the Companies Ordinance, the Listing Rules and the SFO. In addition, this information package includes material which briefly describes the operations and business of the Company. Directors will be continuously updated on major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors at regular Board meetings.

The Directors are committed to complying with code provision C.1.4 of the CG Code and all Directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided a record of training they received for the Year to the Company.

The individual training record of each Director received for the Year is summarised as follows:

<b>Directors</b>	<b>Type of continuous professional development programmes</b>
Mr. Cheng Lut Tim (resigned on 19 December 2025)	B
Mr. Chong Kok Leong	B
Mr. So David Tat Man (appointed on 1 May 2025)	B
Mr. Zhuang Miao Zhong	B
Ms. Li Liming (resigned on 31 December 2025)	B
Mr. Yeung Wai Hung, Peter (resigned on 1 February 2026)	A, B
Ms. Yuen Wai Man	A

Notes:

A: attending seminars/forums/workshops/conferences relevant to the business or directors' duties

B: reading regulatory updates

**COMPANY SECRETARY**

Mr. Chang Kwan Yip, Quillan has been appointed as the Company Secretary since 14 March 2023. He has taken no less than 15 hours of relevant professional training for the Year.



## CORPORATE GOVERNANCE REPORT (continued)

### SHAREHOLDERS' RIGHTS

#### Right to convene extraordinary general meeting

Shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the rights, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company for the attention of the Board or the Company Secretary.

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition.

#### Right to put forward proposals at general meeting

For including a resolution relating to other matters in a general meeting, shareholders are requested to follow the requirements and procedures as set out in Section 615 of the Companies Ordinance. Shareholders may put forward proposals at general meeting by sending written notice of their proposals to the Company Secretary. The contact details of the Company are as follows:

Attention: Company Secretary

Address: Unit D, 7/F., Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong

Fax: +852 2728 3339

Email: info@ccfe.com.hk

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

The Group regards corporate social responsibilities as one of the core values of its business operations for sustainable development and thus is committed to operate its business in an economic, social and environmentally feasible manner. The Group firmly recognizes the importance of balancing its business objectives with the stewardship of natural environment, the need to meet market demand for resources, and the need to build a more prosperous and sustainable society.

## OUR STRATEGY

Our strategy is to fulfil the Group's environmental and social responsibilities through achievements of environmental and social goals in our daily operations.

### Objectives

We integrate environmental and social considerations into our business objectives to achieve the following objectives:

#### Environmental objectives:

- Add environmentally friendly elements in our daily operations;
- Use energy and resources efficiently;
- Reduce greenhouse gas emissions; and
- Continuously improve waste management.

#### Social objectives:

- Respect employees' rights and promote an equal opportunity workplace;
- Commit to occupational safety and health, and endeavour to provide a safe and healthy workplace;
- Commit to ethical business practices, and build integrity within the workplace; and
- Support community participation.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### OUR STRATEGY (continued)

The Group's environmental and social objectives are achieved through the following series of actions and commitments:

- Embed environmental and social objectives into business processes including decision making process;
- Establish and document environmental and social policies for management and staff members to follow;
- Comply with environmental and social laws and regulations;
- Report our performance in a balanced manner;
- Disclose key performance indicators as measurement of actual results;
- Ensure appropriate and effective ESG risk management and internal control systems are in place; and
- Practise corporate citizenship in things we do.

### REPORTING BOUNDARY

This environmental, social and governance ("**ESG**") report, prepared in accordance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 of the Listing Rules (the "**ESG Reporting Code**") issued by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), has been reviewed and approved by the Board. It aims to provide a balanced representation of the efforts made by the Group on environmental protection and social responsibility and covers the Group's major operating activities, including treasury investment, provision of loan financing and design and provision of energy saving solutions for the Year. In compliance with the extended disclosure requirements of the applicable ESG Reporting Code, certain disclosures and key performance indicators together with their comparative figures are added to this report, apart from that, there are no significant changes in the scope of this report from that of ESG report for the year ended 31 December 2024.

### Approach

The Group assessed how the greenhouse gas emissions can be accounted for which is via the equity share and the control approach, the inputs of data was obtained from office premises in Hong Kong and in Shanghai.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### REPORTING PRINCIPLES

This report follows the ESG Reporting Code and applies the following principles:

Reporting principles	Application in this report
Materiality	The Group's stakeholders are engaged in the identification of ESG issues that matter most from their perspectives. The Group assessed the materiality of those ESG issues based on the corresponding risks posed on the sustainability on the Group's businesses. Material ESG issues were identified and prioritized and are disclosed in this report.
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption, where applicable, are disclosed in the respective sections in this report.
Consistency	Unless stated otherwise, the Group applies consistent methodology in compiling the ESG data reported to ensure meaningful comparison of ESG performance over time and between entities. Any change in methods or KPIs used is explained.
Balance	Intentional selections, omissions, or presentation formats that might inappropriately influence a decision or judgment to provide an unbiased picture of our performance are avoided in this report.

### GOVERNANCE OF ESG MATTERS

The Board assumes full responsibility for the Group's ESG matters, and is responsible for reviewing ESG-related matters on a regular basis, identifying and assessing related risks, and ensuring that the Group has established appropriate and effective ESG risk management and internal control systems. In addition, the Board annually reviews the performance of the Group against ESG-related targets and reviews and approves the disclosures in ESG reports.

The Board is responsible for formulating relevant ESG policies and management procedures in line with the Group's environmental and social objectives and implementing daily ESG work across our business operation, including evaluating the stakeholders' needs and expectations with timely response, identifying ESG-related risks and opportunities pertain to the business operations, monitoring the environmental and social performance in our departmental units on a regular basis.

Our Board oversees climate-related risks and opportunities, as well as long-term exposure, to ensure that our climate development and performance are on track.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### GOVERNANCE OF ESG MATTERS (continued)

The Board has delegated one executive director and the Group's management in different aspects to address Climate Change. Management from different business functions with related to climate risks and opportunities experience is responsible for formulating and reviewing climate-related strategy, coordinating climate-related tasks and communicating with the Board on the latest climate-related issues affecting the company periodically.

To ensure our Board keeps up with the latest trend of climate-related risks and opportunities, climate-related training materials are provided and external subject matter experts are invited to share on climate-related topics to the Board.

Climate-related risks are addressed as part of our integrated risk management model, which outlines guidelines for risk management to ensure key corporate risks are properly identified and adequately assessed, managed and monitored. The Group identified six physical and transition risks material to our business with the use of a climate-related scenario analysis. The primary climate-related risk we encounter is the infrequent disruption in product supply caused by severe weather events. Under the Group's risk management framework, our material risk category of Operational Risk incorporates the risks associated with such climate-related physical risks and ensure climate change adaptation or mitigation policies are in place. The Group's integrated risk management model also ensures periodic risk assessment and monitoring cycles are in place to understand the relevant risks and assess the needs to refresh the Group's risk appetite.

### STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group endeavors to create sustainable growth and long-term value for its stakeholders, who comprise the Group's employees, investors, contractors, customers and the wider community. We continue to interact with our stakeholders on an ongoing basis in order to identify and collect their expectations and concerns regarding significant ESG related matters of the Group's businesses, which are evaluated, prioritised and incorporated into our ESG strategy, including the setting of practicable ESG targets. Our communication channels with our stakeholders include company website, annual general meeting, staff meetings and other business meetings.

The material environmental and social issues were identified as follows:

- Climate change;
- Employee welfare;
- Environmental compliance;
- Greenhouse gas emissions;
- Supply chain management;

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT** (continued)**STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT** (continued)

- Occupational health and safety;
- Inclusion and equal opportunities;
- Talent attraction and retention;
- Anti-corruption; and
- Community investment.

**ENVIRONMENTAL ASPECTS**

The Group's business predominantly focuses on the provision of energy saving solutions which involves the design, installation and implementation of the "Ultra Performance Plant Control System" (the "UPPC System"). These operations do not have significant impact on the environmental and natural resources thus the Group's emission relating to air, greenhouse gas emissions and discharges into water and land as well as the generation of hazardous and non-hazardous wastes are minimal in the Year. The UPPC System is designed to optimize energy efficiency of customers including but not limited to offices and production plants, thereby aid the preservation of the environment and natural resources.

**Environmental metrics and targets**

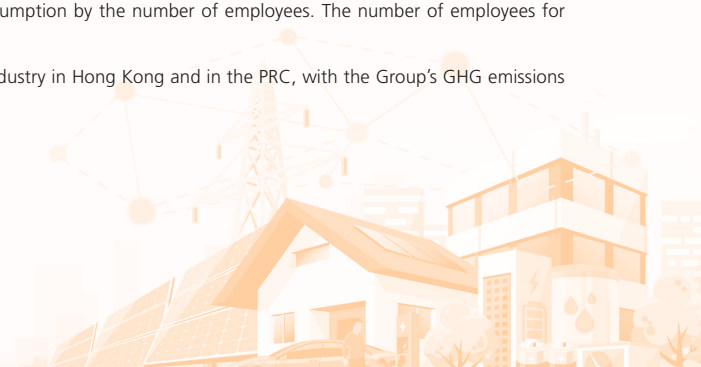
Our Group has set multiple environmental targets, committed to capping carbon dioxide emissions by 2030 and striving to achieve carbon neutrality by 2060. By reducing carbon emissions and enhancing energy efficiency, our Group can lower energy consumption and related costs, while also creating positive impacts for society and laying the foundation for future sustainable growth. To achieve these targets, our Group has established quantifiable environmental key performance indicators, aiming to meet the following emission and waste reduction goals by 2030.

**Energy Consumption and Green House Gas ("GHG") Emissions****Overview of energy consumption**

<b>Energy Consumption</b>	<b>2025 kWh</b>	2024 kWh	Variance Increase/ (Decrease)	2023 kWh
Electricity	<b>13,539</b>	12,240	11%	10,080
Energy consumption intensity <sup>1</sup> Per employee	<b>521</b>	453	15%	504

Note:

1. With reference to Reporting Guidance on Environmental KPIs in Appendix 2 to How to Prepare an ESG Report issued by the Stock Exchange, the Group's Scope 2 emissions are calculated based on the emission factors provided by utility providers in Hong Kong and Shanghai Municipal Bureau of Ecology and Environment (上海市生態環境局) respectively.
2. Energy consumption intensity is calculated by dividing the total energy consumption by the number of employees. The number of employees for 2024 and 2025 is 27 and 26 respectively.
3. There are no specific standards on GHG emissions concerning the Group's industry in Hong Kong and in the PRC, with the Group's GHG emissions benchmarked against that of industry peers for reference.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### ENVIRONMENTAL ASPECTS (continued)

#### Energy Consumption and Green House Gas (“GHG”) Emissions (continued)

##### Overview of carbon footprint

GHG Emissions	2025 tCO <sub>2</sub> e	2024 tCO <sub>2</sub> e	Variance Increase/ (Decrease)	2023 tCO <sub>2</sub> e
Scope 1: Direct emissions				
– Carbon dioxide	–	–	–	–
Scope 2: Indirect emissions <sup>2</sup>				
– Carbon dioxide	<b>7.22</b>	6.55	10%	5.61
Scope 3: Other indirect emissions <sup>3</sup>				
– Carbon dioxide	<b>8.69</b>	24.12	(64%)	2.99
Total GHG emissions				
– Carbon dioxide	<b>15.91</b>	30.67	(48%)	8.60
GHG emissions intensity <sup>4</sup>				
Per employee	<b>0.61</b>	1.33	(54%)	0.43

##### Notes:

1. With reference to Reporting Guidance on Environmental KPIs in Appendix 2 to How to Prepare an ESG Report issued by the Stock Exchange, the Group’s Scope 2 emissions are calculated based on the emission factors provided by utility providers in Hong Kong and Shanghai Municipal Bureau of Ecology and Environment (上海市生態環境局) respectively.
2. Scope 2 refers to indirect GHG emissions from consumption of purchased electricity.
3. Scope 3 refers to other indirect GHG emissions from paper consumption and air transport.
4. GHG emissions intensity is calculated by dividing the total GHG emissions by the number of employees.

The Group’s operations do not generate direct GHG emissions, the major sources of emission of GHG by the Group are consumption of electricity at the workplace. The Group has therefore, directed efforts to monitor its electricity usage in the workplace by encouraging our employees to keep the indoor temperature within the office at 24 to 26 degrees Celsius and to switch off lights and other office equipment when idle. The Group’s electricity consumption slightly increased from 12,240 kWh in 2024 to 13,539 kWh in the Year and related GHG emissions slightly increased from approximately 6.55 tonnes of carbon dioxide equivalent in 2024 to approximately 7.22 tonnes of CO<sub>2</sub> equivalent in the Year.

The Group’s other indirect emissions, which are mainly generated from paper consumption for general office use and from business travels, decreased by 64% from 24.12 tonnes of CO<sub>2</sub> equivalent in 2024 to 8.69 tonnes of CO<sub>2</sub> equivalent in the Year. The main reason for the decrease was mainly due to lesser business travels were recorded during the Year.

The Group is committed to promote a sustainable working and living environment through continuous efforts in emissions reduction and will continue to encourages staff to use e-communication channels, such as video conference for business meetings whenever possible, in order to minimize greenhouse gas emissions caused by business trips.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### ENVIRONMENTAL ASPECTS (continued)

#### Waste Management

The Group adheres to waste management principles that comply with the Environmental Protection Law of the PRC and other applicable environmental laws and regulations. No hazardous waste produced by the Group is observed during the Year and the major non-hazardous waste generated by the Group's operations is shown below:

Non-hazardous waste	2025		2024		Variance Increase/ (Decrease)
	Sheet	kg	Sheet	kg	
Paper	67,451	337	68,615	342	(2%)
Paper consumption intensity <sup>1</sup> Per employee	2,594	12.96	2,541	12.67	2%

Note:

1. Paper consumption intensity is calculated by dividing the paper consumption by the number of employees.

Paper waste is the major waste that has been identified in the Group's business operation. The Group encourages employees to maximize the usage of electronic copies instead of hardcopies to create a paperless environment and setting duplex printing as default setting in printers for printing internal documents. Due to the increase in the Group's operations, paper consumption increased from approximately 12.67 kilogram per employee in 2024 to approximately 12.96 kilogram per employee in the Year.

#### Water Management

The Group's key water usage is arising from toilet flushing, water tap for cleaning and drinking water. It operates in leased office premises of which both the water supply and discharge are solely controlled by the respective building management which is considered that provision of water withdrawal and discharge data or sub-meter for the individual occupant is not feasible. To avoid unnecessary water consumption from the daily operation, the Group encourages employees to always turn taps off tightly to avoid dripping and giving priority to effective water-saving products.

#### Use of Resources

As an environmentally friendly and energy saving services provider, the Group is committed to utilise resources in the most efficient and effective manner. Since the Group does not manufacture any products, the packaging material used for finished products is not applicable to the business of the Group. Electricity, paper and materials are the main resources used by the Group during the Year. Hence, the Group adopts the following key policies in the workplace and for its operations:

- Standardisation of materials for installation of the UPPC System;
- Utilisation of scrap materials where possible;
- Use of optimal temperature and light control in the workplace;
- Switch off lights and air-conditions when idle; and
- Use recycle paper and duplex print wherever possible and appropriate.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### ENVIRONMENTAL ASPECTS (continued)

#### Use of Resources (continued)

Moreover, the principal activities of the Group are not in production, hence water is used mainly for domestic purpose at our offices and the Group does not have any concern in sourcing water that is fit for such purpose. The Group will continue to promote energy and water-saving behavior under its overall environmental management agenda.

#### Climate Change

The Group has considered the physical risk which include acute risk (short-term) like increasing heavy rainstorm, wildfire, hot weather; chronic risk (long-term) including rise in sea level. While the acute risk will post immediate safety issues to our staff, the Company has followed and will continue to follow strictly on the relevant notice and/or guidelines issued by the local government bodies in which we operate to ensure staff safety. The Group will review the existing measures for adverse weather conditions and ensure the safety of the employees. For transitional risk, the Group has considered the policy and legal risk, which the government will impose more laws and regulations on the emissions and energy usage. As we have minimal usage on energy and minimal emissions due to our business nature, the Group considers the risk is relatively low.

The Group recognises the potential impacts of climate change on our business operations and value chain, from supply and operations to market dynamics and regulatory compliance. With the increasing focus on climate action, the Group also anticipates stricter regulations regarding emissions reduction.

Given that the Group's core business involves treasury investment, provision of loan financing and design and provision of energy saving solutions for the Year. The primary climate-related risk we encounter is the infrequent disruption in product supply caused by severe weather events.

Nevertheless, this risk remains minimal for the Group, as we source products from a diverse range of suppliers, ensuring that the impact of a shortage from any single supplier is negligible. Additionally, extreme weather conditions could temporarily halt our operations and pose risks to the safety of our employees. To address this, we have developed and enforced emergency work protocols for extreme weather situations to safeguard our staff. We are also aware of the transition risks tied to evolving environmental regulations and Hong Kong's push towards carbon neutrality, as highlighted in the Hong Kong SAR Government's Climate Action Plan 2050. These developments may affect our operations and supply chain, potentially increasing operational costs. To counteract these risks, our Group is committed to enhancing resource efficiency and cutting down on greenhouse gas emissions. We will remain vigilant in tracking both the challenges and opportunities arising from climate change.

#### Compliance

The Group is not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group relating to air and GHG emission, discharges into water and land and generation of hazardous and non-hazardous wastes.

### SOCIAL ASPECTS

#### Employment

The Group considers its employees as its most valuable asset and the key to long-term growth and prosperity. It is committed to provide a healthy, safe and friendly working environment. The Group has several non-discriminatory policies in place to ensure equal opportunities for all sexes, ethnicities, races, ages and religions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Employment (continued)

As at 31 December 2024 and 2025, the Group had 27 and 26 employees respectively. The Group's workforce composition as at 31 December are as follows:

	Number of employees	
	2025	2024
By gender		
Male	20	20
Female	6	7
By age group		
Below 30	3	3
30 to 50	15	14
Above 50	8	10
By region		
Hong Kong	21	22
Mainland China	5	5
By employment contract		
Permanent	26	26
Temporary/Part-time	–	1

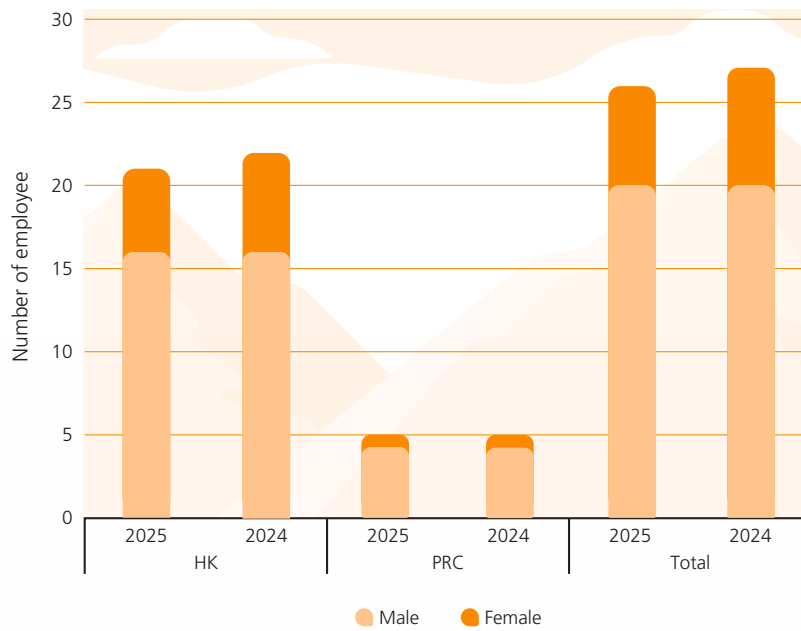


## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

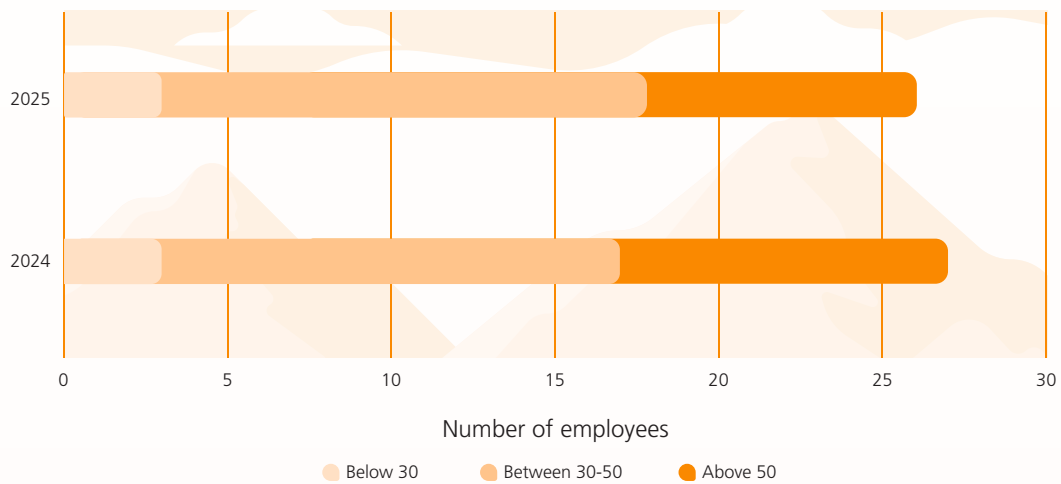
### SOCIAL ASPECTS (continued)

#### Employment (continued)

**Workforce by Region and by Gender as at Year End**



**Workforce by Age Group as at Year End**



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Employment (continued)

During the year 2024 and 2025, a total of 3 and 1 employee(s) left the Group respectively, representing total turnover rate of employees of approximately 11% and approximately 4% for the year 2024 and 2025 respectively. Further employee turnover rates by various categories are shown below:

	Number of employee turnover	
	2025	2024
By gender		
Male	1	2
Female	–	1
By age group		
Below 30	1	1
30 to 50	–	2
Above 50	–	–
By region		
Hong Kong	1	3
Mainland China	–	–
Employee turnover rate (%)#		
By gender		
Male	5%	10%
Female	–	14%
By age group		
Below 30	33%	33%
30 to 50	–	10%
Above 50	–	–
By region		
Hong Kong	5%	14%
Mainland China	–	–

# Employee turnover rates are calculated by number of employee turnover during the year in their specified categories over the number of employees as at that year end in their specified categories



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Employment (continued)

The management regularly reviews the Group's remuneration and benefits policies with reference to the market standards and is committed to safeguarding the rights and interests of the staff. Remuneration and benefits have been adjusted and reviewed on annual basis in accordance with the employees' individual performance, contribution and market conditions.

Employment rights such as compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity, diversity, anti-discrimination and welfare and other benefits were clearly stated in the employment contract to protect the interest of the staff.

The Group encourages work-life balance to raise team spirit and promote good relations with the employees.

During the Year, the Group was not aware of any material non-compliance with laws and regulations relating to employment and labour practices.

#### Health and Safety

The Group is committed to maintaining high standards of health and safety for staff. The Group has fully complied with all relevant laws and regulations regarding the health and safety requirements of the Group during the Year. There were no work-related fatalities in the Group in each of the past three years including this reporting year (2024: nil). The Group had no lost days due to work injury for the years 2024 and 2025.

To minimize occupational accidents and to provide a safe and secure working environment, the Group makes use of publications to demonstrate safety rules. All employees are required to abide all safety rules and regulations and utilise applicable protection measures at all times to avoid accidents. In addition, to prevent the spread of the virus, the Group complied strictly with the virus prevention regulations as required by the government, and stringent infection preventive measures were implemented to protect its employees. Safety inspections and spot checks were conducted periodically to monitor and review health and safety issues of the Group.

During the Year, no non-compliance with the laws and regulations relating to occupational safety that have resulted or may result in significant impact on the Group was identified.

#### Development and Training

The Group trusts that growth of employees remains key to sustaining market leadership. It is imperative to cultivate a learning culture within the Group and to encourage continual education and development in order for our employees to be well-equipped and competent in delivering high quality services and products to customers, and to raise their occupational safety awareness.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Development and Training (continued)

Training of the Group could be categorized into three aspects:

- New-comer programme;
- On-the-job training programmes; and
- External trainings

New employees are provided with on-board training to familiarize with the culture, business and operation of the Group. Also, for technical positions such as technical support, every newly-hired employee will be provided with pre-job technical training to enhance their professional skills.

The Group welcomes staff to join training programmes according to their respective job duties and positions. The Group's human resources department would review all staff applications from the staff and assign each staff member to the most suitable training and development programme.

During the year 2024 and 2025, a total of 138 manhours and 305.8 manhours of training were provided to employees of the Group respectively representing an average of approximately 5 hours and approximately 12 hours of training per employee based on the number of employees as at 31 December 2024 and 2025 respectively. The total number of employees who took part in those trainings were 14 and 25 for the year 2024 and 2025 respectively, representing 52% and 96% of total employees as at 31 December 2024 and 2025 respectively. Further development and training data by various categories are shown below:

	2025	2024
Total number of hours of training received by employees	<b>305.8</b>	138
<b>Percentage of employees trained#:</b>		
By gender		
Male	<b>76%</b>	71%
Female	<b>24%</b>	29%
By employee category		
Senior management	<b>36%</b>	57%
Middle management	<b>56%</b>	43%
Others	<b>8%</b>	–

# Percentage of employees trained are calculated by number of employees trained in their specified categories over the total number of employees trained



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Development and Training (continued)

	Average training hours completed per employee <sup>^</sup>	
	2025	2024
By gender		
Male	7	4
Female	27	9
By employee category		
Senior management	9	12
Middle management	14	2
Others	–	–

<sup>^</sup> Average training hours are calculated by total number of hours trained during the year in their specified categories over the number of employees as at that year end in their specified categories

#### Labour Standards

The Group seeks to provide a work environment with equal opportunities and diversified human resources. The Group's guidelines on staff recruitment and avoidance of unlawful employment policy outlines the Group's obligations as a responsible employer and the procedure necessary to ensure all candidates are treated equally and employment is compliant with local laws and regulations.

Information such as statement on work hours, pay and performance issues, policies on benefits, trainings, leave and disciplinary procedures and possible sanction are clearly stated on a written employee hand book provided in the national language of the employees.

The Group prohibits any employment which would constitute child labour and forced labour. The Group's implemented employment policies which are in strict adherence of the local employment laws and regulations. Prior to any confirmation of employment of the Group, our human resources department will require job applicants to provide valid identity documents to verify that the applicants are lawfully employable and ensure full compliance with relevant laws and regulations that prohibit child and forced labour. If any violations were to be detected, the Group would immediately cease any labour activities. Any false documents would be considered fraudulent and the Group would have the right to terminate the labour contract immediately. The Group will regularly review the employees' information to ensure there is no violation of any regulations and policies.

During the Year, there is no child or forced labour in the Group as the Group works in compliance with the Employment Ordinance of the Hong Kong Special Administrative Region and Labour Contract Law of the PRC in term of employment management.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Supply Chain Management

Maintaining an efficient and fair supply chain is one of the agendas of the Group to ensure stable and quality supplies.

For this purpose, the Group closely collaborates with stakeholders along the supply chain to improve overall environmental, social and governance performance and to ensure all supply chain management processes are in line with the best practice incorporated.

Major materials that the Group purchases are materials or parts for UPPC System for its provision of the Energy Saving Business. During the Year, the Group had 329 suppliers (2024: 319 suppliers), in which 325 suppliers (2024: 316 suppliers) and 4 suppliers (2024: 3 suppliers) are located in the PRC and Hong Kong respectively.

The Group expects the suppliers to implement good employment measures by dealing with their employees fairly and reasonably, respecting employees' rights and providing employees with an environment free from discrimination, child labour and forced labour. The suppliers also need to adhere to transparent business processes and high standards of conduct which they have to avoid conflicts of interest and prohibit corruption and bribery. Before making any procurement decisions, the Group will conduct due diligence and assessments on suppliers to avoid environmental and social risks along the supply chain. Suppliers are chosen mainly based on their service or product quality, price, reputation, financial background, sustainability and social responsibility track record and delivery time.

We regularly evaluate our key suppliers' performance to determine whether to extend our partnership with them.

During the Year, the Group was not aware that any key suppliers had any significant actual and potential negative impact on business ethics, environmental protection, human rights and labour practices, nor did any of them have any non-compliance incident in respect of human rights issues.

#### Product and Service Responsibility

Maintaining a high quality and standard of the products and services is crucial to the Group's success and sustainable development. Therefore, maintaining consistency in quality and precision of the products are the Group's major priorities. Each UPPC System of the Group are subject to stringent quality tests before release to the customers. Our project managers are responsible for the monitoring of the overall progress and quality of works undertaken by us. Regular management meetings are conducted to discuss quality issues and remedy defects identified, if any. The Group also provides after-sales services such as maintenance services, email and phone supports.

#### Complaint Management

The Group welcomes all feedbacks from customers as it is necessary to improving our products and services. Procedures for handling feedbacks are established. Feedbacks are recorded in detail and appropriate follow-up actions are taken promptly.

For the years 2024 and 2025, there were no products sold subject to recalls for safety and health reasons and there were no products and services related complaints received.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Product and Service Responsibility (continued)

##### Labelling

The Group requires that labelling is accurate, legitimate, clear, and not misleading, and intellectual property rights, if applicable, are protected. We ensure that the information and marketing materials we provided do not contain any misleading content to protect customers' interests.

##### Privacy Matters

The Group is committed to protecting customer data and privacy information, and keeping business information confidential. Training to employees in this regard and proper information system security are required.

We acknowledge the importance of protecting the privacy and confidentiality of our customers' information. An internal policy which governs the collection, handling, and disclosure of clients' data has been developed and communicated to our staff. The Group has prohibited the use of any personal information of customers by other parties for direct marketing purposes if unlawful or without explicit and implicit consent of customers.

During the Year, the Group was not aware of any non-compliance with relevant laws, rules and regulations relating to products and services safety that have resulted or may result in significant impact on the Group.

##### Anti-Corruption

Anti-corruption measures and laws are enforced within the business arena of the Group. The Group endeavor to maintain high moral standard and integrity, and forbid any forms of corruptions by setting out guidance in the Group's Code of Conducts. Whistleblowing policy is a good example of an anti-corruption, anti-fraud, and anti-malpractice policy followed by the Group which encourages reporting of any inappropriate behavior.

The Group established anti-corruption policies to prohibit employees from receiving any advantages offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties, and prohibit any activities involving conflicts of interest, bribery, extortion, fraud, and money laundering. In addition, training on anti-corruption practices are provided to our directors and senior management personnel.

The Group is not aware of any complaints of corruption against the Group or any of the staff and are no concluded legal cases regarding corrupt practices brought against the Group or its employees during the Year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### SOCIAL ASPECTS (continued)

#### Community Investment

The Group believed that a sustainable community plays a vital role in its long-term growth and success. Therefore, the Group has portrayed immense dedication in contributing to the amelioration of the society through collaborating with the local communities it operates in and addressing the community's need.

The Group also encourages employees to devote time and to actively get involved in community engagements and charity works.

#### Labour Needs

The Group strives to enlarge the business operation so that we can hire more workers to utilise communities' available labour resources.

#### Community Activities

We encourage our employees to participate in community activities, such as community health initiatives, sports, cultural activities, volunteer work, and charitable events.

The Group did not take part in community activities during the Year (2024: nil).

#### Environmental Protection

All employees of the Group are encouraged to participate in environmental protection activities and raise the environmental awareness of people in the communities.



## INDEPENDENT AUDITOR'S REPORT



### TO THE MEMBERS OF CCIAM FUTURE ENERGY LIMITED

*(incorporated in Hong Kong with limited liability)*

### OPINION

We have audited the consolidated financial statements of CCIAM Future Energy Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 61 to 141, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, 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 HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the Companies Ordinance.

### BASIS FOR OPINION

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

**INDEPENDENT AUDITOR'S REPORT** (continued)**KEY AUDIT MATTERS**

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

**Key audit matter****Allowance for expected credit losses recognised in respect for trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables**

Refer to Notes 4(a), 21, 22, 23, 24 and 25 to the consolidated financial statements.

At 31 December 2025, the Group has gross trade receivables of approximately HK\$77,418,000 and allowance for expected credit losses of approximately HK\$49,739,000; contract assets of approximately HK\$2,889,000 and allowance for expected credit losses of approximately HK\$1,423,000; loan and interest receivables of approximately HK\$4,740,000 and allowance for expected credit losses of approximately HK\$800,000; other receivables of approximately HK\$906,000 and allowance for expected credit losses of approximately HK\$Nil; finance lease receivables of approximately HK\$35,813,000 and allowance for expected credit losses of approximately HK\$28,956,000.

Management performed periodic assessment on the recoverability of the trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables and the sufficiency of allowance for expected credit losses based on information including internal credit assessment of different customers, ageing receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and ongoing trading relationships with the relevant customers. Management also considered forward-looking information that may impact the counterparties' ability to repay the outstanding balances in order to estimate the expected credit losses for impairment assessment.

We place the focus in the above areas for the reason that the impairment assessment of trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables under the expected credit losses model involved the use of significant management judgments and estimates.

**How our audit addressed the key audit matter**

Our procedures in relation to management's estimated allowance for expected credit losses of the trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables as at 31 December 2025 included:

- Understanding the key controls that the Group has implemented to manage and monitor its credit risk and assessment of expected credit losses allowance;
- Checking, on a sample basis, the ageing profile of the trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables as at 31 December 2025 to the underlying financial records and post year-end settlements to bank receipts;
- Inquiring of management for the status of each of the material trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables past due as at year end and corroborating explanations from management with supporting evidence, such as internal credit assessment of selected customers, understanding ongoing business relationship with the customers based on trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables, checking historical and subsequent settlement records of and other correspondence with the counterparties; and
- Assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.

We found that the management judgement and estimates used to assess the recoverability of the trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables and determine the allowance for expected credit losses to be supportable by available evidence.



## INDEPENDENT AUDITOR'S REPORT (continued)

### OTHER INFORMATION

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the 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.

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 intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with section 405 of the Companies Ordinance and our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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.

**INDEPENDENT AUDITOR'S REPORT** (continued)**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

As part of an audit in accordance with HKSAs, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's 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 Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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



## INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Dai Tin Yau.

**Prism Hong Kong Limited****Dai Tin Yau***Certified Public Accountants*

Practising Certificate Number: P06318

Hong Kong

27 March 2026

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	8	<b>50,893</b>	51,900
Cost of sales		<b>(44,278)</b>	(45,024)
Other income	9	<b>23</b>	367
Net allowance for expected credit losses on trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables		<b>(3,410)</b>	(1,435)
Selling expenses		<b>(668)</b>	(686)
Administrative and operating expenses		<b>(22,722)</b>	(20,381)
<b>Loss from operations</b>		<b>(20,162)</b>	(15,259)
Finance costs	10	<b>(860)</b>	(852)
<b>Loss before taxation</b>	11	<b>(21,022)</b>	(16,111)
Income tax	12	<b>(12)</b>	–
<b>Loss for the year</b>		<b>(21,034)</b>	(16,111)
<b>Other comprehensive income/(loss) for the year</b> <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>1,753</b>	(525)
<b>Other comprehensive income/(loss) for the year</b>		<b>1,753</b>	(525)
<b>Total comprehensive loss for the year</b>		<b>(19,281)</b>	(16,636)
<b>Loss for the year attributable to owners of the Company</b>		<b>(21,034)</b>	(16,111)
<b>Total comprehensive loss attributable to owners of the Company</b>		<b>(19,281)</b>	(16,636)
		<b>HK\$</b>	HK\$ (restated)
<b>Loss per share</b>			
– Basic and diluted	16	<b>(0.09)</b>	(0.09)



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Intangible assets	17	501	501
Property, plant and equipment	18	1,121	1,582
Right-of-use assets	19	1,029	443
Loan and interest receivables	23	–	88
Finance lease receivables	25	3,817	5,032
		<b>6,468</b>	7,646
<b>Current assets</b>			
Inventories	20	2,779	2,793
Trade receivables	21	27,679	5,131
Contract assets	22	1,466	1,305
Loan and interest receivables	23	3,940	5,603
Prepayments, deposits and other receivables	24	15,467	15,375
Finance lease receivables	25	3,040	3,516
Cash and cash equivalents	26	12,452	22,906
		<b>66,823</b>	56,629
<b>Current liabilities</b>			
Trade and other payables	27	20,199	4,717
Contract liabilities	28	–	879
Lease liabilities	29	715	421
Other borrowing	30	–	10,000
Current tax liabilities		12	–
		<b>20,926</b>	16,017
<b>Net current assets</b>		<b>45,897</b>	40,612
<b>Total assets less current liabilities</b>		<b>52,365</b>	48,258

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities	29	344	38
		<b>344</b>	38
<b>Net assets</b>			
		<b>52,021</b>	48,220
<b>Capital and reserves</b>			
Share capital	31	3,283,318	3,260,236
Reserves		(3,231,297)	(3,212,016)
<b>Total equity</b>			
		<b>52,021</b>	48,220

The consolidated financial statements on pages 61 to 141 were approved and authorised for issue by the board of directors on 27 March 2026 and are signed on its behalf by:

**Mr. So David Tat Man**  
*Director*

**Mr. Zhuang Miao Zhong**  
*Director*



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Reserves				Total HK\$'000
	Share capital HK\$'000	Share options reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
At 1 January 2024	3,237,959	1,568	3,807	(3,200,755)	42,579
Loss for the year	–	–	–	(16,111)	(16,111)
Other comprehensive loss for the year	–	–	(525)	–	(525)
Total comprehensive loss for the year	–	–	(525)	(16,111)	(16,636)
Rights issue of shares (Note 31)	19,780	–	–	–	19,780
Transaction costs attributable to rights issue of shares (Note 31)	(2,083)	–	–	–	(2,083)
Issuance of shares in respect of placing (Note 31)	4,679	–	–	–	4,679
Transaction costs attributable to placing of shares (Note 31)	(99)	–	–	–	(99)
At 31 December 2024 and 1 January 2025	<b>3,260,236</b>	<b>1,568</b>	<b>3,282</b>	<b>(3,216,866)</b>	<b>48,220</b>
Loss for the year	–	–	–	(21,034)	(21,034)
Other comprehensive income for the year	–	–	1,753	–	1,753
Total comprehensive loss for the year	–	–	1,753	(21,034)	(19,281)
Rights issue of shares (Note 31)	<b>18,676</b>	–	–	–	<b>18,676</b>
Transaction costs attributable to rights issue of shares (Note 31)	<b>(1,374)</b>	–	–	–	<b>(1,374)</b>
Issuance of shares in respect of placing (Note 31)	<b>6,022</b>	–	–	–	<b>6,022</b>
Transaction costs attributable to placing of shares (Note 31)	<b>(242)</b>	–	–	–	<b>(242)</b>
<b>At 31 December 2025</b>	<b>3,283,318</b>	<b>1,568</b>	<b>5,035</b>	<b>(3,237,900)</b>	<b>52,021</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(21,022)	(16,111)
Adjustments for:			
Bank interest income	9	(13)	(138)
Finance costs	10	860	852
Depreciation of property, plant and equipment	18	461	257
Depreciation of right-of-use assets	19	624	607
Allowance/(reversal of allowance) for expected credit losses on trade receivables		1,043	(655)
(Reversal of allowance)/allowance for expected credit losses on contract assets		(92)	1,443
Allowance for expected credit losses on loan and interest receivables		325	473
Allowance/(reversal of allowance) for expected credit losses on finance lease receivables		2,134	(42)
Allowance for expected credit losses on other receivables		–	216
Written off of other payables	9	–	(219)
Written off of inventories		23	174
Written off of loan and interest receivables		36	336
Gain on termination of lease		(5)	–
<b>Operating loss before working capital changes</b>			
		(15,626)	(12,807)
Decrease/(increase) in inventories		2	(2,565)
Increase in trade receivables		(23,433)	(3,644)
Decrease/(increase) in loan and interest receivables		1,390	(6,111)
(Increase)/decrease in finance lease receivables		(11)	2,151
Increase in prepayments, deposits and other receivables		(4)	(12,872)
Increase in trade and other payables		15,248	2,466
Decrease in contract liabilities		(905)	(1,195)
<b>Cash used in operating activities</b>			
		(23,339)	(34,577)
Income tax paid		–	–
<b>Net cash used in operating activities</b>			
<b>(23,339)</b>			
<b>Cash flows from investing activities</b>			
Bank interest income received		13	138
Purchases of property, plant and equipment		–	(1,410)
<b>Net cash generated from/(used in) investing activities</b>			
<b>13</b>			

**CONSOLIDATED STATEMENT OF CASH FLOWS** (continued)

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from financing activities</b>			
Interest paid		(938)	(800)
Repayments of lease liabilities (including interests)		(660)	(640)
Repayments of other borrowings		(10,000)	–
Proceeds from rights issue of shares	31	18,676	19,780
Transaction costs attributable to rights issue of shares	31	(1,374)	(2,083)
Proceeds from placing of shares	31	6,022	4,679
Transaction costs attributable to placing of shares	31	(242)	(99)
<b>Net cash generated from financing activities</b>		<b>11,484</b>	20,837
<b>Net decrease in cash and cash equivalents</b>		<b>(11,842)</b>	(15,012)
<b>Cash and cash equivalents at beginning of year</b>			
Effect of exchange rate changes		1,388	(68)
Cash and cash equivalents at end of year		12,452	22,906
<b>Analysis of balances of cash and cash equivalents</b>			
Cash and cash equivalents		12,452	22,906

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

The Company was incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of registered office and principal place of business of the Company is Unit D, 7/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries (collectively, the “**Group**”) are principally engaged in design and provision of energy saving solutions business and loan financing business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company and rounded to the nearest thousand (HK\$’000), unless otherwise stated.

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRS accounting standards that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following amendments to HKFRS accounting standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning on 1 January 2025. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to HKAS 21	Lack of Exchangeability
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### New and amendments to HKFRS accounting standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS accounting standards that have been issued but are not yet effective:

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

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

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

#### New and amendments to HKFRS accounting standards issued but not yet effective (continued)

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

HKFRS 18 replaces HKAS 1, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. In addition, some paragraphs from HKAS 1 have been moved to HKAS 8 and HKFRS 7. Furthermore, the HKICPA has made minor amendments to HKAS 7 and HKAS 33 Earnings per Share.

HKFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply HKFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to HKAS 7 and HKAS 33, as well as the revised HKAS 8 and HKFRS 7, become effective when an entity applies HKFRS 18. HKFRS 18 requires retrospective application with specific transition provisions.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

##### HKFRS 19 Subsidiaries without Public Accountability: Disclosures

HKFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying HKFRS Accounting Standards in its financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the Company do not anticipate that HKFRS 19 will be applied for purposes of the consolidated financial statements of the Group.

Except for the impact of HKFRS 18 and HKFRS 19, the directors of the Company considers that the adoption of the above mentioned new and amendments are not expected to have a material impact on the Group's consolidated financial statements in future reporting periods when they become effective.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### (a) Statutory financial statements

The financial information relating to the years ended 31 December 2025 and 2024 included in this annual report does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2025 in due course.

The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2025. The auditor's report for the year ended 31 December 2025 (i) was unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and (iii) did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

#### (b) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (Hong Kong Accounting Standards) issued by HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, these consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Companies Ordinance.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (c) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. Control is achieved where the Group has:

- the power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (e) Business combination

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition related costs are generally recognised in consolidated statement of profit or loss and other comprehensive income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- (i) deferred tax assets or liabilities and assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- (ii) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- (iii) assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard;
- (iv) lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (e) Business combination (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated statements of profit or loss and other comprehensive income as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at each reporting date, and changes in fair value are recognised in consolidated statements of profit or loss and other comprehensive income.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in consolidated statement of profit or loss and other comprehensive income. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. The provisional amounts recognised at the acquisition date are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

#### (g) Revenue and other income recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

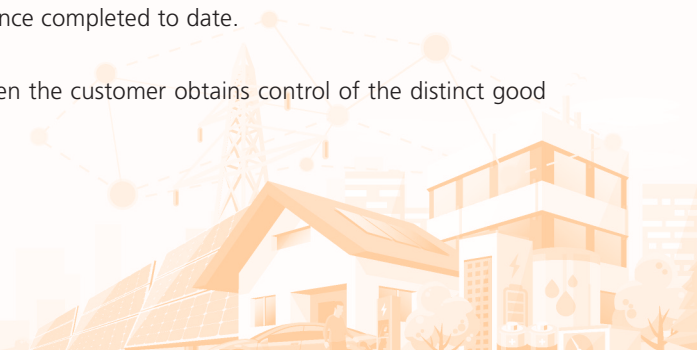
The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (g) Revenue and other income recognition (continued)

##### Contract assets and contract liabilities

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

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

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

##### Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

##### Over time revenue recognition: measurement of progress towards complete satisfaction of performance obligation

###### *Input method*

The Group's energy saving business progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**3. MATERIAL ACCOUNTING POLICY INFORMATION** (continued)**(g) Revenue and other income recognition** (continued)**Revenue from contracts with customers***Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group recognises revenue from the following major sources:

There are two types of energy saving solutions income: (i) provision of construction services and (ii) sales of goods.

*Energy saving solutions income – (i) provision of 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.

*Energy saving solutions income – (ii) sales of goods*

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the energy saving products.

*Repair and maintenance service income*

Repair and maintenance service income is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

*Finance lease interest income*

Finance lease interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

*Interest income*

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (h) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in consolidated statement of profit or loss and other comprehensive income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to consolidated statements of profit or loss and other comprehensive income on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in consolidated statements of profit or loss and other comprehensive income in the period in which they become receivable. Such grants are presented under "Other income".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

#### (i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred.

Depreciation is provided on the straight-line method so as to write down the cost of property, plant and equipment to their realisable value over their anticipated useful lives at the following annual rates:

Leasehold improvement:	25%
Office equipment:	25%
Furniture and fixture:	20%
Computer:	25%
Motor vehicle:	25%

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**3. MATERIAL ACCOUNTING POLICY INFORMATION** (continued)**(i) Property, plant and equipment** (continued)

Depreciation is recognised so as to write off the costs of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statements of profit or loss and other comprehensive income.

**(j) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average costing method. Net realisable value is based on estimated selling price less any estimated costs to be incurred to completion on sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

**(k) Leases****Definition of a lease**

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

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

**The Group as a lessee***Allocation of consideration to components of a contract*

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

As a practical expedient, HKFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient for all leases.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (k) Leases (continued)

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

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

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

##### *Right-of-use assets*

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies HKAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

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

##### *Lease liabilities*

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**3. MATERIAL ACCOUNTING POLICY INFORMATION** (continued)**(k) Leases** (continued)**The Group as a lessee** (continued)*Lease liabilities* (continued)

Lease payments included in the measurement of the lease liability comprise:

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

The lease liability is presented as a separate line in the consolidated statement of financial position.

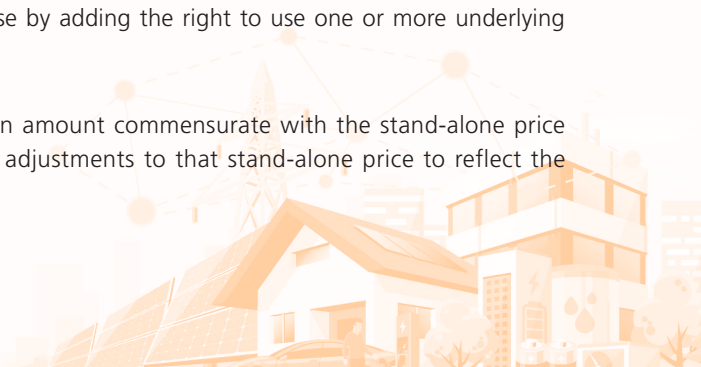
The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

*Lease modifications*

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (k) Leases (continued)

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

##### *Lease modifications (continued)*

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

#### (l) Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in consolidated statement of profit or loss and other comprehensive income in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in consolidated statement of profit or loss and other comprehensive income for the period except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in consolidated financial statements of profit or loss and other comprehensive income in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (m) Employee benefits

##### Defined benefit costs and termination benefits

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the consolidated statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income will not be reclassified to consolidated statement of profit or loss and other comprehensive income. Past service cost is recognised in consolidated statement of profit or loss and other comprehensive income when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

Defined benefit costs are categorised as:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

The Group recognises service costs within consolidated statement of profit or loss and other comprehensive income as cost of sales and administrative expenses. Net interest expense or income is recognised within finance costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (m) Employee benefits (continued)

##### Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

#### (n) Taxation

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (n) Taxation (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 profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

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

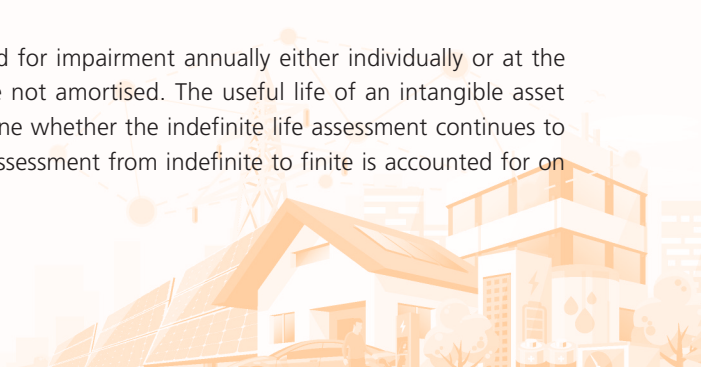
#### (o) Intangible assets

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

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in consolidated statements of profit or loss and other comprehensive income.

#### (q) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statements of profit or loss and other comprehensive income.

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (q) Financial instruments (continued)

##### Financial assets (continued)

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

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

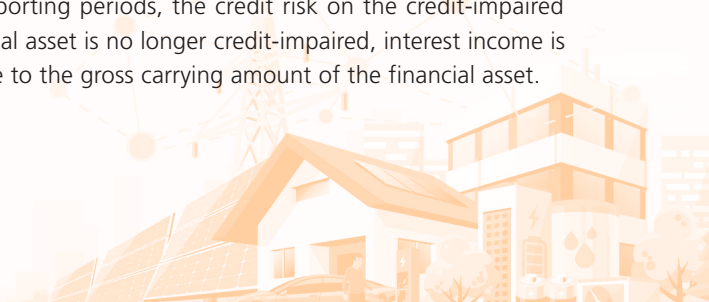
##### (i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (q) Financial instruments (continued)

##### Financial assets (continued)

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

##### (i) Amortised cost and effective interest method (continued)

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

##### *Financial assets at FVTOCI (debt instruments)*

The Group's debt instruments are classified and measured subsequently at FVTOCI if both of the following conditions are met:

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

The Group's debt instruments classified as at FVTOCI includes investments in quoted debt instruments. Debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of debt instruments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in consolidated statement of profit or loss and other comprehensive income. The amounts that are recognised in consolidated statement of profit or loss and other comprehensive income are the same as the amounts that would have been recognised in consolidated statement of profit or loss and other comprehensive income if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in consolidated statement of profit or loss and other comprehensive income with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt instruments/receivables. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to consolidated statement of profit or loss and other comprehensive income.

##### *Equity instruments designated as at FVTOCI*

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to consolidated statement of profit or loss and other comprehensive income on disposal of the equity investments, instead, they will be transferred to accumulated losses or will continue to be held in investment revaluation reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (q) Financial instruments (continued)

##### Financial assets (continued)

##### *Equity instruments designated as at FVTOCI (continued)*

Dividends from investments in equity instruments are recognised in consolidated statement of profit or loss and other comprehensive income when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'investment and other income' line item in consolidated statement of profit or loss and other comprehensive income.

##### *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in consolidated statement of profit or loss and other comprehensive income. The net gain or loss recognised in consolidated statement of profit or loss and other comprehensive income excludes any dividend or interest earned on the financial asset and is included in the "Other income" line item

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

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets (including trade receivables, loan receivables, interest receivables, deposits and other receivables, finance lease receivables, Cash and cash equivalents) and other items (contract assets) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting period to reflect changes in credit risk since initial recognition.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (q) Financial instruments (continued)

##### Financial assets (continued)

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

The Group always recognises lifetime ECL for trade and bills receivables and finance lease receivables. The ECL on these assets are assessed individually for significant balances or collectively using a provision matrix for the remaining balances with appropriate groupings based on shared credit risk characteristics of customers from the relevant operating segment.

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

##### (i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**3. MATERIAL ACCOUNTING POLICY INFORMATION** (continued)**(q) Financial instruments** (continued)**Financial assets** (continued)*Impairment of financial assets subject to impairment assessment under HKFRS 9* (continued)(i) **Significant increase in credit risk** (continued)

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

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

(ii) **Definition of default**

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

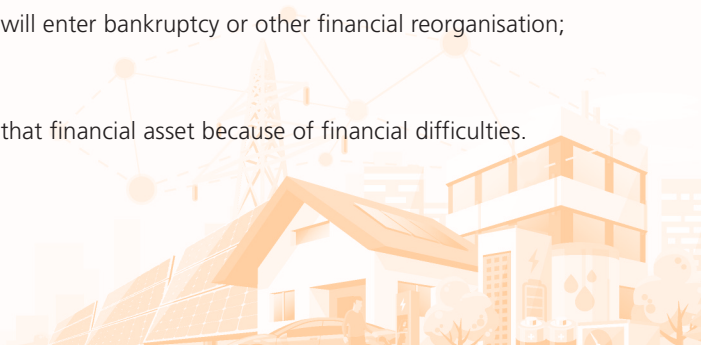
- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is likely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) **Credit-impaired financial assets**

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (q) Financial instruments (continued)

##### Financial assets (continued)

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

##### (iv) Write-off policy

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

##### (v) Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16 *Leases*.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in consolidated statement of profit or loss and other comprehensive income for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (q) Financial instruments (continued)

##### Financial assets (continued)

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

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to consolidated statement of profit or loss and other comprehensive income. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to consolidated statement of profit or loss and other comprehensive income, but is transferred to retained earnings.

##### Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the asset of the Group after deducting all of its liabilities. The Group's financial liabilities are classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

##### *Financial liabilities at amortised cost*

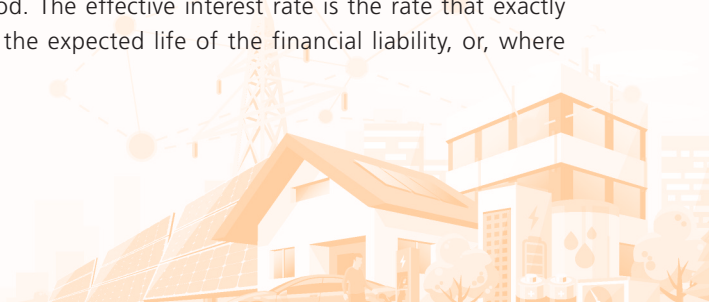
Financial liabilities including trade and other payables, lease liabilities, and other borrowings are subsequently measured at amortised cost, using the effective interest rate method.

##### *Equity instruments*

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

##### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### (r) Equity-settled share-based payment transactions

##### Share options granted to employees

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

The fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

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

##### Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case the services received are measured by reference to the fair value of the share options granted. The fair values of the services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the counterparties render services, unless the services qualify for recognition as assets.

#### (s) Provisions

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

Provisions, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### (t) Cash and cash equivalents

In the consolidated statement of financial position, Cash and cash equivalents comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**3. MATERIAL ACCOUNTING POLICY INFORMATION** (continued)**(u) Related party transactions**

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (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); or
  - (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 Group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

- a. that person's children and spouse or domestic partner;
- b. children of that person's spouse or domestic partner; and
- c. dependants of that person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources and obligations between related parties.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in Note 3 to the consolidated financial statements, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk in causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### (a) Provision of ECL for trade receivables, contract assets, loan and interest receivables, other receivables and financial lease receivables

The loss allowances for trade receivables, contract assets, loan and interest receivables, other receivables and financial lease receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 5(b).

As at 31 December 2025, the carrying amount of trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables are approximately HK\$27,679,000 (2024: HK\$5,131,000), approximately HK\$1,466,000 (2024: HK\$1,305,000), approximately HK\$3,940,000 (2024: HK\$5,691,000), approximately HK\$906,000 (2024: HK\$812,000) and HK\$6,857,000 (2024: HK\$8,548,000) respectively (net of allowance for expected credit losses of HK\$49,739,000 (2024: HK\$46,296,000), HK\$1,423,000 (2024: HK\$1,443,000), HK\$800,000 (2024: HK\$475,000), HK\$Nil (2024: HK\$212,000) and HK\$28,956,000 (2024: HK\$28,754,000) respectively).

The provision of ECL is sensitive to changes in estimates. The information about the allowance for expected credit losses and the Group's trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables are disclosed in Notes 5(b), 21, 22, 23, 24 and 25.

#### (b) Income taxes

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES****(a) Categories of financial instruments**

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets</b>		
At amortised costs		
Trade receivables	27,679	5,131
Loan and interest receivables	3,940	5,691
Finance lease receivables	6,857	8,548
Deposits and other receivables	906	812
Cash and cash equivalents	12,452	22,906
	<b>51,834</b>	43,088
<b>Financial liabilities</b>		
At amortised costs		
Trade and other payables	20,199	4,717
Other borrowing	–	10,000
	<b>20,199</b>	14,717

**(b) Financial risk management objectives and policies**

The Group's major financial instruments include trade receivables, loan and interest receivables, finance lease receivables, deposits and other receivables, Cash and cash equivalents, trade and other payables, other borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Market risk

The Group's activities expose them primarily to the financial risks of changes in foreign exchange risk and interest rate risk.

Market risk exposures are measured by sensitivity analysis. There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

##### *Foreign exchange risk*

The Group operates in Hong Kong and the PRC is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"). Foreign exchange risk arises from the foreign currency denomination of commercial transactions, assets and liabilities. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency same as the functional currency of each entity of the Group.

##### *Interest rate risk*

The Group is also exposed to cash flow interest rate risk mainly in relation to variable rate bank balances. The Group monitors the interest rate exposure on a continuous basis.

At the end of the reporting period, the Group had no significant exposure to interest rate risk.

##### Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, deposits and other receivables, finance lease receivables and cash and cash equivalents. The carrying amounts of trade and other receivables and cash at bank represent the Group's maximum exposure to credit risk in relation to financial asset. At 31 December 2025, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is represented by the carrying amounts of the respective recognized financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

##### *Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables*

Credit evaluations are performed on all customers requiring credit terms. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as to the economic environment.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arises when the Group has significant exposure to individual customers.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables* (continued)

The Group applies the HKFRS 9 general approach to measure ECL on loan and interest receivables, finance lease receivables and other receivables. The Group estimates the amount of loss allowance for ECL on loan and interest receivables, other receivables and finance lease receivables that are measured at amortised cost based on the credit risk of the loan and interest receivables, other receivables and finance lease receivables. The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

In respect of trade receivables and finance lease receivables arising from the Energy Saving Business, the Group has a concentration of credit risk in certain individual customers. At the end of the reporting period, the five largest trade receivable balances accounted for approximately 80.7% (2024: approximately 100.00%) of the trade receivables and the largest trade receivable was approximately 62.6% (2024: approximately 54.44%) of the Group's total trade receivables. At the end of each reporting period, the five largest finance lease receivable balances accounted for approximately 100.0% (2024: approximately 100.00%) of the finance lease receivables and the largest finance lease receivable was approximately 100.0% (2024: approximately 100.00%) of the Group's total finance lease receivables. The Directors closely monitor the risk exposure of the customers and collateral and would take appropriate action to ensure the risk exposure is acceptable. The Directors are of the view that the expected cash flow of trade receivables and finance lease receivables are sufficient to cover the carrying amount of trade receivables and finance lease receivables as at 31 December 2025.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the management reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group assessed its trade receivables and contract assets individually, for significant balances and credit-impaired balances, and/or collectively based on the aging analysis of trade receivables. Significant and/or credit-impaired trade receivables balances are assessed individually by considering the aging, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical default rates over the expected life of the debtors and reasonable and supportable forward-looking information that is available without undue cost or effort. For trade receivables or contract assets assessed collectively, the grouping is based on the debtor's credit risk characteristic, taking into consideration the Group's historical default rates and reasonable and supportable forward-looking information that is available without undue cost or effort. At each reporting date, historical default rates are reassessed and changes in forward-looking information are considered.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Credit risk and impairment assessment (continued)

*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables (continued)*

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024:

As at 31 December 2025	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for expected credit loss HK\$'000
Current (not past due)	0.1	23,118	(17)
Less than 1 month past due	–	–	–
1 to 3 months past due	49.3	2,127	(1,048)
3 months to 1 year past due	–	–	–
More than 1 year past due	93.3	52,173	(48,674)
		<b>77,418</b>	<b>(49,739)</b>

As at 31 December 2024	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for expected credit loss HK\$'000
Current (not past due)	0.3	1,599	(5)
Less than 1 month past due	1.5	–*	–*
1 to 3 months past due	1.5	–*	–*
3 months to 1 year past due	1.6	3,594	(57)
More than 1 year past due	100.0	46,234	(46,234)
		<b>51,427</b>	<b>(46,296)</b>

\* The amount is less than HK\$1,000.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)

**(b) Financial risk management objectives and policies** (continued)

**Credit risk and impairment assessment** (continued)

*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables* (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for contract assets as at 31 December 2025 and 2024:

<b>As at 31 December 2025</b>	<b>Expected loss rate %</b>	<b>Gross carrying amount HK\$'000</b>	<b>Allowance for expected credit loss HK\$'000</b>
Current (not past due)	49.3	2,889	(1,423)
<b>As at 31 December 2024</b>	<b>Expected loss rate %</b>	<b>Gross carrying amount HK\$'000</b>	<b>Allowance for expected credit loss HK\$'000</b>
Current (not past due)	52.5	2,748	(1,443)

The following table provides information about the Group's exposure to credit risk and ECLs for loan and interest receivables as at 31 December 2025 and 2024:

<b>As at 31 December 2025</b>	<b>Stage</b>	<b>Expected loss rate %</b>	<b>Gross carrying amount HK\$'000</b>	<b>Allowance for expected credit loss HK\$'000</b>
12-month ECL	<b>Stage 1</b>	0.03	3,553	(1)
Lifetime ECL (not credit impaired)	<b>Stage 2</b>	67.3	1,187	(799)
Lifetime ECL (credit impaired)	<b>Stage 3</b>	–	–	–
			<b>4,740</b>	<b>(800)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Credit risk and impairment assessment (continued)

*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables (continued)*

The following table provides information about the Group's exposure to credit risk and ECLs for loan and interest receivables as at 31 December 2025 and 2024: (continued)

As at 31 December 2024	Stage	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for expected credit loss HK\$'000
12-month ECL	Stage 1	0.2	5,346	(11)
Lifetime ECL (not credit impaired)	Stage 2	56.5	820	(464)
Lifetime ECL (credit impaired)	Stage 3	–	–	–
			6,166	(475)

The following tables show the reconciliation of loss allowances that have been recognised for loan and interest receivables:

	12m ECL HK\$'000	lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 January 2024	(2)	–	–	(2)
– Impairment loss recognised	(9)	(464)	–	(473)
At 31 December 2024 and 1 January 2025	<b>(11)</b>	<b>(464)</b>	–	<b>(475)</b>
– Reversal of impairment loss/ (impairment loss) recognised	<b>10</b>	<b>(335)</b>	–	<b>(325)</b>
At 31 December 2025	<b>(1)</b>	<b>(799)</b>	–	<b>(800)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables (continued)*

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables as at 31 December 2025 and 2024:

As at 31 December 2025	Stage	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for expected credit loss HK\$'000
12-month ECL	<b>Stage 1</b>	–	<b>906</b>	–
Lifetime ECL (not credit impaired)	<b>Stage 2</b>	–	–	–
Lifetime ECL (credit impaired)	<b>Stage 3</b>	–	–	–
			<b>906</b>	–

As at 31 December 2024	Stage	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for expected credit loss HK\$'000
12-month ECL	Stage 1	–	812	–
Lifetime ECL (not credit impaired)	Stage 2	–	–	–
Lifetime ECL (credit impaired)	Stage 3	100.0	212	(212)
			1,024	(212)

The following tables show the reconciliation of loss allowances that have been recognised for other receivables:

	12m ECL HK\$'000	lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 January 2024	–	–	–	–
– Impairment loss recognised	–	–	(216)	(216)
Exchange adjustments	–	–	4	4
At 31 December 2024 and 1 January 2025	–	–	(212)	(212)
– Write-off	–	–	212	212
At 31 December 2025	–	–	–	–

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Credit risk and impairment assessment (continued)

*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables (continued)*

The following table provides information about the Group's exposure to credit risk and ECLs for finance lease receivables as at 31 December 2025 and 2024:

As at 31 December 2025	Stage	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for expected credit loss HK\$'000
12-month ECL	<b>Stage 1</b>	–	–	–
Lifetime ECL (not credit impaired)	<b>Stage 2</b>	<b>14.3</b>	<b>8,004</b>	<b>(1,147)</b>
Lifetime ECL (credit impaired)	<b>Stage 3</b>	<b>100.0</b>	<b>27,809</b>	<b>(27,809)</b>
			<b>35,813</b>	<b>(28,956)</b>

As at 31 December 2024	Stage	Expected loss rate %	Gross carrying amount HK\$'000	Allowance for expected credit loss HK\$'000
12-month ECL	Stage 1	–	–	–
Lifetime ECL (not credit impaired)	Stage 2	11.5	9,663	(1,115)
Lifetime ECL (credit impaired)	Stage 3	100.0	27,639	(27,639)
			37,302	(28,754)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)

**(b) Financial risk management objectives and policies** (continued)

**Credit risk and impairment assessment** (continued)

*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables* (continued)

The following tables show the reconciliation of loss allowances that have been recognised for finance lease receivables:

	12m ECL HK\$'000	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
At 1 January 2024	(4,683)	(212)	(23,899)	(28,794)
– Transfer to lifetime ECL	4,683	–	(4,683)	–
– Impairment losses (recognised)/ reversed	–	(910)	952	42
Exchange adjustments	–	7	(9)	(2)
At 31 December 2024 and 1 January 2025	–	<b>(1,115)</b>	<b>(27,639)</b>	<b>(28,754)</b>
– Impairment losses reversed/ (recognised)	–	<b>25</b>	<b>(2,159)</b>	<b>(2,134)</b>
– Write-off	–	–	<b>1,247</b>	<b>1,247</b>
Exchange adjustments	–	<b>(57)</b>	<b>742</b>	<b>685</b>
<b>At 31 December 2025</b>	–	<b>(1,147)</b>	<b>(27,809)</b>	<b>(28,956)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Credit risk and impairment assessment (continued)

*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables (continued)*

The closing loss allowances for including trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables as at 31 December 2025 and 2024 reconcile to the opening loss allowances as follows:

	Trade receivables HK\$'000	Contract assets HK\$'000	Loan and interest receivables HK\$'000	Other receivables HK\$'000	Finance lease receivables HK\$'000	Total HK\$'000
At 1 January 2024	(54,132)	(28)	(2)	–	(28,794)	(82,956)
Reversal of provision for/(provision for) allowance for expected credit losses recognised in consolidated statement of profit or loss and other comprehensive income	655	(1,443)	(473)	(216)	42	(1,435)
Write-off	5,508	–	–	–	–	5,508
Exchange difference	1,673	28	–	4	(2)	1,703
At 31 December 2024 and 1 January 2025	<b>(46,296)</b>	<b>(1,443)</b>	<b>(475)</b>	<b>(212)</b>	<b>(28,754)</b>	<b>(77,180)</b>
(Provision for)/reversal of provision for allowance for expected credit losses recognised in consolidated statement of profit or loss and other comprehensive income	<b>(1,043)</b>	<b>92</b>	<b>(325)</b>	<b>–</b>	<b>(2,134)</b>	<b>(3,410)</b>
Write-off	–	–	–	212	1,247	1,459
Exchange difference	<b>(2,400)</b>	<b>(72)</b>	–	–	<b>685</b>	<b>(1,787)</b>
At 31 December 2025	<b>(49,739)</b>	<b>(1,423)</b>	<b>(800)</b>	<b>–</b>	<b>(28,956)</b>	<b>(80,918)</b>

Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than agreed contract terms.

Impairment losses on trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables are presented as net allowance of ECL within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment** (continued)*Trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables* (continued)

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables are set out in Notes 21, 22, 23, 24 and 25 respectively.

The management monitored the financial background and creditability of those debtors on an ongoing basis. The Group seeks to minimise its risk by dealing with counterparties which have good credit history. Majority of the trade receivables that are neither past due nor impaired have no default payment history. In this regard, the directors consider that the Group's credit risk is significantly reduced.

*Deposits with bank*

In respect to the Group's deposit with bank, the Group limits its exposure to credit risk by placing deposits with financial institution with high credit rating and no recent history of default. Given the high credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations. The Group assessed 12m ECL for bank balances. Management will continue to monitor the position and will take appropriate action if their ratings are changed. As at 31 December 2025 and 2024, the Group has no significant concentration of credit risk in relation to deposit with bank. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

In these regards, other than the credit risks mentioned above, the management considers the Group does not have any other significant credit risk and the exposures to these credit risks are monitored on an ongoing basis.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Liquidity risk

In the management of the liquidity risk, the Group monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period. The table includes both interest and principal cash flows.

	Weighted average interest rate %	Repayable on demand or less than 1 year HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
As at 31 December 2025							
Non-derivative financial liabilities							
Trade and other payables	–	19,779	–	–	–	19,779	19,779
Lease liabilities	8.0	766	353	–	–	1,119	1,059
		20,545	353	–	–	20,898	20,838

	Weighted average interest rate %	Repayable on demand or less than 1 year HK\$'000	1-2 years HK\$'000	2-5 years HK\$'000	Over 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
As at 31 December 2024							
Non-derivative financial liabilities							
Trade and other payables	–	4,717	–	–	–	4,717	4,717
Lease liabilities	8.0	438	38	–	–	476	459
Other borrowing	8.0	10,800	–	–	–	10,800	10,000
		15,955	38	–	–	15,993	15,176

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 6. CAPITAL RISK MANAGEMENT

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets as shown in the consolidated statement of financial position.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year and aims to maintain the gearing ratio at a reasonable level. The gearing ratios at the end of the reporting periods were as follows:

	2025 HK\$'000	2024 HK\$'000
Total borrowings (Note 30)	–	10,000
Total assets	<b>73,291</b>	64,275
Gearing ratio	–	15.6%

### 7. SEGMENT INFORMATION

During the year ended 31 December 2025, for the purpose of resource allocation and assessment of segment performance, the Group classified its business units based on their products and services and has the following two reportable operating segments:

- Energy saving business
- Loan financing business

Information regarding the Group's reportable segments is presented below.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 7. SEGMENT INFORMATION (continued)

#### Segment revenue and results

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

For the year ended 31 December 2025:

	Energy saving business HK\$'000	Loan financing business HK\$'000	Total HK\$'000
Segment revenue	49,770	1,123	50,893
Segment results	(9,606)	(1,491)	(11,097)
Other income			23
Unallocated administrative expenses			(9,088)
Finance costs			(860)
Loss before taxation			(21,022)

For the year ended 31 December 2024:

	Energy saving business HK\$'000	Loan financing business HK\$'000	Total HK\$'000
Segment revenue	51,033	867	51,900
Segment results	(4,720)	(2,819)	(7,539)
Other income			367
Unallocated administrative expenses			(8,087)
Finance costs			(852)
Loss before taxation			(16,111)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 7. SEGMENT INFORMATION (continued)

#### Segment revenue and results (continued)

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' emoluments, other income and finance costs.

#### Segment assets and liabilities

The segment assets and liabilities as at 31 December 2025 and capital expenditures for the year then ended by reportable segments are as follows:

	Energy saving business HK\$'000	Loan financing business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	55,650	5,102	12,539	73,291
Segment liabilities	19,512	401	1,357	21,270

The segment assets and liabilities as at 31 December 2024 and capital expenditures for the year then ended by reportable segments are as follows:

	Energy saving business HK\$'000	Loan financing business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	33,798	6,756	23,721	64,275
Segment liabilities	5,078	204	10,773	16,055
Capital expenditures	1,410	–	–	1,410



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 7. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities (continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than bank and cash balances and other assets for corporate use;
- all liabilities are allocated to reportable segments other than other borrowing and certain other payables.

#### Other segment information

For the year ended 31 December 2025:

	Energy saving business HK\$'000	Loan financing business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment	351	110	–	461
Depreciation of right-of-use assets	392	232	–	624
Allowance for expected credit losses on trade receivables	1,043	–	–	1,043
Reversal of allowance for expected credit losses on contract assets	(92)	–	–	(92)
Allowance for expected credit losses on loan and interest receivables	–	325	–	325
Allowance for expected credit losses on finance lease receivables	2,134	–	–	2,134
Written off of inventories	23	–	–	23
Written off of loan and interest receivables	–	36	–	36

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**7. SEGMENT INFORMATION** (continued)**Other segment information** (continued)

For the year ended 31 December 2024:

	Energy saving business HK\$'000	Loan financing business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment	147	110	–	257
Depreciation of right-of-use assets	362	245	–	607
Reversal of allowance for expected credit losses on trade receivables	(655)	–	–	(655)
Allowance for expected credit losses on contract assets	1,443	–	–	1,443
Allowance for expected credit losses on loan and interest receivables	–	473	–	473
Reversal of allowance for expected credit losses on finance lease receivables	(42)	–	–	(42)
Allowance for expected credit losses on other receivables	216	–	–	216
Written off of inventories	174	–	–	174
Written off of loan and interest receivables	–	336	–	336



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 7. SEGMENT INFORMATION (continued)

#### Geographical information

The Group operates in Chinese Mainland, Hong Kong and Macau.

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Chinese Mainland	22,900	47,613	249	–
Hong Kong	27,993	2,087	2,402	2,526
Macau	–	2,200	–	–

Note: Non-current assets excluded financial instruments.

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets in the case of property, plant and equipment, and right-of-use assets, and the location to which they are managed in the case of intangible assets.

#### Information about major customers

Included in the Group's revenue of approximately HK\$50,893,000 (2024: HK\$51,900,000), the revenue of approximately HK\$24,505,000 (2024: HK\$39,023,000) were generated from three (2024: two) customers of the segment of energy saving business which individually contributed 10% or more to the Group's revenue for the year.

Revenue from the said major customers, each of them contributed 10% or more to the Group's revenue, are set out below:

	2025 HK\$'000	2024 HK\$'000
Customer A (Note (a))	13,263	–
Customer B (Note (a))	5,949	–
Customer C	5,293	5,400
Customer D (Note (b))	–	33,623

Notes:

- (a) Information on revenue for the year ended 31 December 2024 is not disclosed for two customers since they contributed Nil of the Group's revenue for the year ended 31 December 2024.
- (b) Information on revenue for the year ended 31 December 2025 is not disclosed for one customer since it contributed Nil of the Group's revenue for the year ended 31 December 2025.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**8. REVENUE**

Revenue represents the aggregate of the amounts received and receivable from third parties, income from design and provision of energy saving solutions and loan financing business. Revenue recognised during the years are as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from contracts with customers</b>		
– Energy saving solutions income	48,545	50,741
– Repair and maintenance service income	1,225	292
Total revenue from contracts with customers	49,770	51,033
Add: Interest income under HKFRS 9	1,123	867
	<b>50,893</b>	51,900
Timing of revenue recognition under HKFRS 15:		
A point in time	7,988	1,410
Over time	41,782	49,623
	<b>49,770</b>	51,033

**9. OTHER INCOME**

	2025 HK\$'000	2024 HK\$'000
Bank interest income	13	138
Gain on termination of lease	5	–
Written off of other payables	–	219
Others	5	10
	<b>23</b>	367

**10. FINANCE COSTS**

	2025 HK\$'000	2024 HK\$'000
Interest expenses on other borrowing	805	800
Interest expenses on lease liabilities	55	52
	<b>860</b>	852

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 11. LOSS BEFORE TAXATION

The Group's loss before taxation is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Staff costs (including directors' remuneration)		
– Directors' fees	1,574	1,836
– Salaries, wages and bonus	8,870	6,913
– Contribution to retirement benefits schemes	335	243
	<b>10,779</b>	8,992
Auditor's remuneration	750	690
Depreciation of property, plant and equipment	461	257
Depreciation on right-of-use assets	624	607
Expenses relating to short-term lease	442	209
Legal and professional fees	3,799	5,716
Net allowances for expected credit losses on trade receivables, contract assets, loan and interest receivables, other receivables and finance lease receivables		
– Allowance/(reversal of allowance) for expected credit losses on trade receivables	1,043	(655)
– (Reversal of allowance)/allowance for expected credit losses on contract assets	(92)	1,443
– Allowance for expected credit losses on loan and interest receivables	325	473
– Allowance/(reversal of allowance) for expected credit losses on finance lease receivables	2,134	(42)
– Allowance for expected credit losses on other receivables	–	216
Written off of inventories	23	174
Written off of loan and interest receivables	36	336

### 12. INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Current tax:		
Hong Kong Profits Tax	12	–

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions which members of the Group are domiciled and operate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**12. INCOME TAX** (continued)**(i) Hong Kong Profits Tax**

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the years ended 31 December 2025 and 2024.

No provision of Hong Kong Profits Tax in prior year as no assessable profit for the year ended 31 December 2024.

**(ii) PRC Enterprise Income Tax**

The subsidiaries of the Group established in the PRC is generally subject to PRC Enterprise Income Tax on its taxable income at an income tax rate of 25%.

Reconciliation between tax expenses and loss before taxation at applicable tax rates:

	2025 HK\$'000	2024 HK\$'000
Loss before taxation	(21,022)	(16,111)
Tax calculated at the rates applicable to the tax jurisdiction concerned	(4,000)	(2,707)
Tax effect of non-taxable income	(23)	(262)
Tax effect of non-deductible expenses	1,768	2,546
Tax effect of temporary differences not recognised	15	–
Tax effect of unused tax losses not recognised	2,257	498
Tax effect of utilisation of tax losses previously not recognised	(2)	(75)
Tax reduction	(3)	–
Tax for the year	12	–

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2025, the Group did not recognise deferred tax assets of HK\$7,708,000 (2024: HK\$5,047,000) in respect of tax losses of HK\$40,084,000 (2024: HK\$32,438,000) that can be carried forward against future taxable income. The expiry dates of the tax losses are as follows:

	2025 HK\$'000	2024 HK\$'000
With no expiry	13,594	3,018
Expiry of 5 years	26,490	29,420
	40,084	32,438

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the directors for the years ended 31 December 2025 and 2024:

#### Year ended 31 December 2025

	Directors' fees HK\$'000	Basic salaries, allowances and other benefits HK\$'000	Contributions to retirement benefit schemes HK\$'000	Equity-settled share-based payment HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chong Kok Leong	360	–	–	–	360
Mr. So David Tat Man (appointed on 1 May 2025)	200	–	–	–	200
Mr. Zhuang Miao Zhong	240	–	–	–	240
Mr. Cheng Lut Tim (resigned on 19 December 2025)	324	–	–	–	324
Mr. Mok Tsan San (resigned on 1 April 2025)	150	–	–	–	150
	1,274	–	–	–	1,274
<b>Independent non-executive directors</b>					
Ms. Li Liming (resigned on 31 December 2025)	100	–	–	–	100
Mr. Yeung Wai Hung, Peter	100	–	–	–	100
Ms. Yuen Wai Man	100	–	–	–	100
	300	–	–	–	300
<b>Total</b>	<b>1,574</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,574</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**13. DIRECTORS' EMOLUMENTS** (continued)

Year ended 31 December 2024

	Directors' fees HK\$'000	Basic salaries, allowances and other benefits HK\$'000	Contributions to retirement benefit schemes HK\$'000	Equity-settled share-based payment HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Chong Kok Leong	360	–	–	–	360
Mr. Zhuang Miaozhong	240	–	–	–	240
Mr. Cheng Lut Tim	336	–	–	–	336
Mr. Mok Tsan San	600	–	–	–	600
	1,536	–	–	–	1,536
<b>Independent non-executive directors</b>					
Ms. Li Liming	100	–	–	–	100
Mr. Yeung Wai Hung, Peter	100	–	–	–	100
Ms. Yuen Wai Man	100	–	–	–	100
	300	–	–	–	300
<b>Total</b>	<b>1,836</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,836</b>

There were no arrangements under which a director waived or agreed to waive any emoluments during the years ended 31 December 2025 and 2024. Apart from Directors, the Group has not classified any other person as chief executives during the years ended 31 December 2025 and 2024.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 14. EMPLOYEES' EMOLUMENTS

#### Five highest paid individuals

The five highest paid employees of the Group during the year included nil (2024: one) directors, details of whose remuneration are set out in note 13 above. Details of the remuneration for the year of the remaining five (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowance, bonus and other benefits in kind	4,485	4,165
Contributions to retirement benefits schemes	90	89
	<b>4,575</b>	4,254

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Number of individuals	
	2025	2024
<b>HK\$</b>		
Nil – 1,000,000	4	3
1,000,001 – 2,000,000	1	1
	<b>5</b>	4

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**15. DIVIDEND**

The Directors do not recommend payment of any dividends for the year ended 31 December 2025 (2024: Nil).

**16. LOSS PER SHARE**

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

	2025 HK\$'000	2024 HK\$'000
<b>Loss</b>		
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	<b>(21,034)</b>	(16,111)
	2025 '000	2024 '000 (restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>239,195</b>	170,798

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2024 has been adjusted for the effect of rights issue of shares completed on 18 December 2025.

For the years ended 31 December 2025 and 2024, the computation of diluted loss per share did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price of shares for both years.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 17. INTANGIBLE ASSETS

	<b>Money lending license</b>	<b>Patents</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000
	(Note (a))	(Note (b))	
<b>Cost:</b>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	501	889,901	890,402
<b>Accumulated depreciation and impairment loss:</b>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	–	889,901	889,901
<b>Carrying amounts</b>			
<b>At 31 December 2025</b>	<b>501</b>	<b>–</b>	<b>501</b>
At 31 December 2024	501	–	501

Notes:

- (a) The money lending license was acquired through the acquisition of Building Loan (Hong Kong) Limited during the year ended 31 December 2023. The principal activity of Building Loan (Hong Kong) Limited is the provision of loan financing.

Money lending license classified as the Group's intangible asset at the cost of approximately HK\$501,000 at 31 December 2025 and 2024 is assessed as having indefinite useful life on the basis that although the license has a limited term of 1 year, it would be able to be renewed annually at minimal cost. The Directors are of the opinion that the Group would renew the license continuously and any conditions necessary for the renewal would be fulfilled at the time of renewal. The license will not be amortised until its useful life is determined to be finite.

Money lending license has been allocated to the Group's cash-generating units ("CGU") identified according to business segment.

In addition to intangible assets, property, plant and equipment and right-of-use assets belonging to the CGU that generate cash flows together with the intangible assets are included in the respective CGU for the purpose of impairment assessment.

As at 31 December 2025, the recoverable amount of Building Loan (Hong Kong) Limited has been determined based on a value in use calculation. That calculation used cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 10% (2024: 8%). Building Loan (Hong Kong) Limited's cash flows beyond the 5-year period are extrapolated using 2% growth rate (2024: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, operating expenses and corporate tax rate, such estimation is based on the CGU's past performance and management's expectations for the market development.

No impairment losses were recognised in loan financing business segment during the years ended 31 December 2025 and 2024.

- (b) The intangible assets represent 7 patents regarding the acquired and owned "Ultra Performance Plant Control System" ("UPPC System") for its novelty and industrial applicability in the PRC under the cash generating unit of design and provision of energy saving solutions business. The patents have been fully impaired in previous years.

As at 31 December 2025, the remaining useful life of the patents for UPPC system is 4.8 years (2024: 5.8 years).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**18. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvement HK\$'000	Office equipment HK\$'000	Furniture and fixtures HK\$'000	Computer HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
<b>Cost:</b>						
At 1 January 2024	246	1,137	104	1,404	–	2,891
Addition	–	–	10	–	1,400	1,410
Exchange realignment	–	(33)	–	(36)	–	(69)
At 31 December 2024 and 1 January 2025	<b>246</b>	<b>1,104</b>	<b>114</b>	<b>1,368</b>	<b>1,400</b>	<b>4,232</b>
Exchange realignment	–	50	–	54	–	104
<b>At 31 December 2025</b>	<b>246</b>	<b>1,154</b>	<b>114</b>	<b>1,422</b>	<b>1,400</b>	<b>4,336</b>
<b>Accumulated depreciation:</b>						
At 1 January 2024	13	1,034	49	1,366	–	2,462
Charge for the year	61	27	13	10	146	257
Exchange realignment	–	(33)	–	(36)	–	(69)
At 31 December 2024 and 1 January 2025	<b>74</b>	<b>1,028</b>	<b>62</b>	<b>1,340</b>	<b>146</b>	<b>2,650</b>
Charge for the year	61	27	13	10	350	461
Exchange realignment	–	50	–	54	–	104
<b>At 31 December 2025</b>	<b>135</b>	<b>1,105</b>	<b>75</b>	<b>1,404</b>	<b>496</b>	<b>3,215</b>
<b>Carrying amounts</b>						
<b>At 31 December 2025</b>	<b>111</b>	<b>49</b>	<b>39</b>	<b>18</b>	<b>904</b>	<b>1,121</b>
At 31 December 2024	172	76	52	28	1,254	1,582

For the year ended 31 December 2025, depreciation of property, plant and equipment of approximately HK\$461,000 (2024: HK\$257,000) was included in administrative and operating expenses.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 18. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2025, as the result of the poor performance of the energy saving business segment, the Group carried out a review of the recoverable amount of the non-current assets (including property, plant and equipment and right-of-use assets) of the energy saving business segment. The recoverable amounts of the energy saving business segment has been determined based on value in use calculation. That calculation uses cash flow projections based on the financial budgets approved by the management of the Group covering the 5-years period with a pre-tax discount rate of 12% (2024: 11%). The terminal growth rate used in the cash flow projections is 2% (2024: 2%). The assumption for revenue growth is based on the expected completion period of the existing projects and the expected project sum that the Group could bid with reference to their resource capacity. Another key assumption for the value in use calculation is gross profit margin of 11% (2024: 12%) which is determined based on the cash generating unit past performance and management expectations for the market development.

No impairment losses were recognised in energy saving business segment during the years ended 31 December 2025 and 2024.

### 19. RIGHT-OF-USE ASSETS

	Leased properties	
	2025 HK\$'000	2024 HK\$'000
At 1 January	443	652
Addition	1,424	424
Depreciation	(624)	(607)
Elimination on early termination	(212)	(23)
Exchange realignment	(2)	(3)
<b>At 31 December</b>	<b>1,029</b>	<b>443</b>

Additions to the right-of-use assets for the year ended 31 December 2025 were approximately HK\$1,424,000 (2024: HK\$424,000).

The Group also entered into short-term leases for office and amount disclosed in Note 11.

For the year ended 31 December 2025, depreciation of right-of-use assets of approximately HK\$624,000 (2024: HK\$607,000) was included in administrative and operating expenses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**20. INVENTORIES**

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Raw materials	<b>2,779</b>	2,793

For the year ended 31 December 2025, the costs of inventories were recognised as an expense and included in cost of sales amounted to HK\$1,000 (2024: HK\$435,000).

For the year ended at 31 December 2025, inventories carried at net realisable value amounted to approximately HK\$2,779,000 (2024: HK\$2,793,000). As at 31 December 2025, the Group has written off inventories approximately HK\$23,000 (2024: HK\$174,000).

**21. TRADE RECEIVABLES**

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Trade receivables	<b>77,418</b>	51,427
Less: Allowance for expected credit losses	<b>(49,739)</b>	(46,296)
	<b>27,679</b>	5,131

The ageing analysis of trade receivables, net of allowance for expected credit losses, is based on the invoice date and as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
0 – 90 days	<b>22,843</b>	1,572
91 – 180 days	<b>67</b>	3,191
Over 180 days	<b>4,769</b>	368
	<b>27,679</b>	5,131

According to the credit rating of different customers, the Group allows credit term of average 30 days to its customers.

Allowance for expected credit losses of approximately HK\$1,043,000 has been recognised for trade receivables during the year ended 31 December 2025 (2024: reversal of approximately HK\$655,000). For the year ended 31 December 2025, the allowance for expected credit losses on trade receivables of HK\$Nil was reversed and then written off (2024: approximately HK\$5,508,000). Details of assessment for expected credit losses of trade receivables are set out in Note 5(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 22. CONTRACT ASSETS

	2025 HK\$'000	2024 HK\$'000
Unbilled receivables (Note)	2,889	2,748
Less: Allowance for expected credit losses	<b>(1,423)</b>	(1,443)
	<b>1,466</b>	1,305

Reversal of allowance for expected credit losses of approximately HK\$92,000 has been recognised for contract assets during the year ended 31 December 2025 (2024: allowance of approximately HK\$1,443,000). Details of the assessment for expected credit losses of contract assets are set out in Note 5(b).

Note:

Contract assets represent the Group's rights to receive consideration for work completed but not yet billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completed construction work from the customers.

### 23. LOAN AND INTEREST RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Fixed-rate loan and interest receivables	4,740	6,166
Less: Allowance for expected credit losses	<b>(800)</b>	(475)
	<b>3,940</b>	5,691

Analysed for reporting purposes as:

	2025 HK\$'000	2024 HK\$'000
Non-current	–	88
Current	<b>3,940</b>	5,603
	<b>3,940</b>	5,691

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**23. LOAN AND INTEREST RECEIVABLES** (continued)

The exposure of the Group's fixed-rate loan and interest receivables to interest rate risks and their contractual maturity dates are as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Fixed-rate loan and interest receivables		
Within one year	<b>3,940</b>	5,603
More than one year but within five years	–	88
	<b>3,940</b>	5,691

The effective interest rates of the Group's loan receivables are as follows:

	<b>2025</b>	2024
Effective interest rates per annum:		
Fixed-rate loan receivables	<b>7.7% to 44.4%</b>	7.7% to 44.4%

Allowance for expected credit losses of approximately HK\$325,000 has been recognised for loan and interest receivables during the year ended 31 December 2025 (2024: approximately HK\$473,000). Details of the assessment for expected credit losses of loan and interest receivables are set out in Note 5(b).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments (Note)	14,561	14,563
Other receivables	1	42
Refundable rental deposits and other deposits	905	982
	<b>15,467</b>	15,587
Less: Allowance for expected credit losses	–	(212)
	<b>15,467</b>	15,375

Allowance for expected credit losses of approximately HK\$Nil has recognised for other receivables during the year ended 31 December 2025 (2024: HK\$216,000). Details of assessment for expected credit losses of other receivables are set out in Note 5(b).

Note:

Prepayments mainly represented the EV charger and station engineering construction prepayments to independent third parties amounted to approximately HK\$14,084,000 (2024: HK\$12,320,000).

### 25. FINANCE LEASE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Current portion of finance lease receivables	29,668	27,399
Non-current portion of finance lease receivables	6,145	9,903
	<b>35,813</b>	37,302
Less: Allowance for expected credit losses	<b>(28,956)</b>	(28,754)
	<b>6,857</b>	8,548

#### Leasing arrangements

Certain of the Group's energy saving equipments are leased out under finance leases. All leases are denominated in RMB. The terms of finance lease is within 5 years (2024: within 5 years).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**25. FINANCE LEASE RECEIVABLES (continued)**
**Amounts receivable under finance leases**

	Minimum lease payments		Present value of minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Not later than one year	29,812	27,848	29,668	27,399
Later than one year and not later than five years	8,437	14,338	6,145	9,903
	<b>38,249</b>	42,186	<b>35,813</b>	37,302
Less: Unearned finance income	(2,436)	(4,884)	–	–
Present value of minimum lease payments receivable	<b>35,813</b>	37,302	<b>35,813</b>	37,302
Less: Allowance for expected credit losses	(28,956)	(28,754)	(28,956)	(28,754)
	<b>6,857</b>	8,548	<b>6,857</b>	8,548

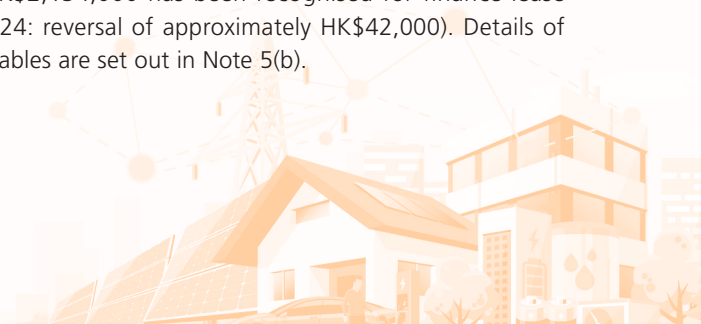
Analysed for reporting purposes as:

	2025 HK\$'000	2024 HK\$'000
Non-current assets	3,817	5,032
Current assets	3,040	3,516
	<b>6,857</b>	8,548

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rate is approximately 8.45%-20.00% per annum for the years ended 31 December 2025 and 2024.

Finance lease receivables were considered credit-impaired when the customers fail to settle according to the settlement terms for more than 180 days after taking into consideration the recoverability of collateral and deposits.

Allowance for expected credit losses of approximately HK\$2,134,000 has been recognised for finance lease receivables during the year ended 31 December 2025 (2024: reversal of approximately HK\$42,000). Details of assessment for expected credit losses of finance lease receivables are set out in Note 5(b).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 26. CASH AND CASH EQUIVALENTS

Cash at bank carry interest at market rates from 0.001% to 0.05% (2024: 0.1% to 3.13%). The fair value of these assets approximates the corresponding carrying amount.

The Group has bank deposits denominated in Renminbi (“RMB”), which expose the foreign currency risk. RMB is not freely convertible into other currencies. The carrying amounts of the Group’s RMB-denominated monetary assets at the end of the reporting period are as follows:

	2025 HK\$’000	2024 HK\$’000
RMB	2,374	2,218

### 27. TRADE AND OTHER PAYABLES

	2025 HK\$’000	2024 HK\$’000
Trade payables	18,215	3,432
Accrued expenses	1,538	836
Interest payables	–	133
Other payables	446	316
	<b>20,199</b>	<b>4,717</b>

The ageing analysis of trade payables is based on the invoice date as follows:

	2025 HK\$’000	2024 HK\$’000
0 – 90 days	17,860	3,432
91 – 180 days	–	–
181 – 365 days	–	–
Over 365 days	355	–
	<b>18,215</b>	<b>3,432</b>

Trade payables are interest-free and the purchase will be settled on delivery or on average credit period of 90 days (2024: 90 days).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 28. CONTRACT LIABILITIES

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Receipt in advance	–	879

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Beginning of the year	<b>879</b>	2,122
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities balance at the beginning of the year	<b>(879)</b>	(1,243)
End of the year	–	879

Allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 31 December 2025 and 2024 and the expected timing of recognition are, as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Within one year	–	879



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 29. LEASE LIABILITIES

	2025		2024	
	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
Within one year	715	766	421	438
After one year but within two years	344	353	38	38
	<b>1,059</b>	<b>1,119</b>	459	476
Less: Total future interest expenses		(60)		(17)
Present value of lease liabilities		<b>1,059</b>		459

Analysed for reporting purposes as:

	2025 HK\$'000	2024 HK\$'000
Current liabilities	715	421
Non-current liabilities	344	38
	<b>1,059</b>	459

The total cash outflow for leases for the year ended 31 December 2025 was approximately HK\$1,102,000 (2024: HK\$849,000).

Additions to the leases liabilities for the year ended 31 December 2025 were approximately HK\$1,424,000 (2024: HK\$424,000).

For the year ended 31 December 2025, there was written off of lease liabilities of approximately HK\$217,000 (2024: HK\$23,000) due to early termination of a lease.

Amount recognised in consolidated statement of profit or loss and other comprehensive income:

	2025 HK\$'000	2024 HK\$'000
Interest expenses on lease liabilities	55	52
Expense relating to short-term lease	442	209
	<b>497</b>	261

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2025

**30. OTHER BORROWING**

	2025 HK\$'000	2024 HK\$'000
Other borrowing (Note (a))	–	10,000
The carrying amount of the above borrowing is repayable: Within one year shown under current liabilities	–	10,000

Note:

- (a) The Company issued 8% coupon unlisted bonds during the year ended 31 December 2023 with the aggregate principal amount of HK\$10,000,000. The amount of HK\$10,000,000 was repayable within 12 months from the date of issue with an option to the Company to extend a year. The first maturity date was 20 October 2024 and the company extended the maturity date by the year to 20 October 2025 and further extended to 22 December 2025. The other borrowing has been fully settled during the year ended 31 December 2025.

**31. SHARE CAPITAL**

	Number of shares		Share capital	
	2025 '000	2024 '000	2025 HK\$'000	2024 HK\$'000
Issued and fully paid:				
At the beginning of the year	<b>203,447</b>	1,130,284	<b>3,260,236</b>	3,237,959
Share consolidation (Note (a))	–	(1,017,255)	–	–
Rights issue of shares (Note (b))	<b>122,067</b>	56,514	<b>17,302</b>	17,697
Placing of shares (Note (c))	<b>40,688</b>	33,904	<b>5,780</b>	4,580
At the end of the year	<b>366,202</b>	203,447	<b>3,283,318</b>	3,260,236

Notes:

- (a) Share consolidation

Upon the share consolidation became effective on 8 February 2024, the number of shares of the Company decreased from 1,130,283,633 old shares to 113,028,363 consolidated shares on the basis that every ten old shares in the share capital of the Company to be consolidated into one consolidated share by the deduction of 1,017,255,270 old shares. Details of the share consolidation were set out in the Company's announcements dated 18 January 2024 and 6 February 2024.

- (b) Rights issue of shares

On 18 December 2025, the Company completed a rights issue of shares and issued 122,067,272 rights shares at a subscription price of HK\$0.153 per rights share on the basis of one rights share for every two existing shares held on the record date, and the net proceeds of the rights issue, after deducting the transaction costs of approximately HK\$1,374,000, were approximately HK\$17,302,000. Closing price per share as at 8 October 2025 was HK\$0.188. Details of the rights issue were disclosed in the announcements of the Company dated 9 October 2025, 4 December 2025, 18 December 2025 and the prospectus of the Company dated 17 November 2025.

On 28 March 2024, the Company completed a rights issue of shares and issued 56,514,181 rights shares at a subscription price of HK\$0.35 per rights share on the basis of one rights share for every two existing shares held on the record date, and the net proceeds of the rights issue, after deducting the transaction costs of approximately HK\$2,083,000, were approximately HK\$17,697,000. Closing price per share as at 18 January 2024 was HK\$0.40. Details of the rights issue were disclosed in the announcements of the Company dated 18 January 2024, 13 March 2024, 27 March 2024 and the prospectus of the Company dated 23 February 2024.

- (c) Placing of shares

On 4 August 2025, the Company placed 40,688,000 placing shares at the placing price of HK\$0.148 per placing share. The net proceeds, after deducting the transaction costs of approximately HK\$242,000, were approximately HK\$5,780,000. Closing price per share as at 17 June 2025 was HK\$0.18. Details of the placing of shares were set out in the Company's announcements dated 17 June 2025 and 4 August 2025.

On 19 November 2024, the Company placed 33,904,000 placing shares at the placing price of HK\$0.138 per placing share. The net proceeds, after deducting the transaction costs of approximately HK\$99,000, were approximately HK\$4,580,000. Closing price per share as at 25 October 2024 was HK\$0.152. Details of the placing of shares were set out in the Company's announcements dated 25 October 2024 and 19 November 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current asset</b>			
Interests in subsidiaries		–	–
<b>Current assets</b>			
Prepayments, deposits and other receivables		188	165
Cash and cash equivalents		5,144	8,448
Amounts due from subsidiaries		22,248	13,000
		<b>27,580</b>	21,613
<b>Current liabilities</b>			
Other payables and accruals		1,355	773
Other borrowing		–	10,000
Amount due to a subsidiary		120	–
		<b>1,475</b>	10,773
<b>Net current assets</b>		<b>26,105</b>	10,840
<b>Total assets less current liabilities</b>		<b>26,105</b>	10,840
<b>Net assets</b>		<b>26,105</b>	10,840
<b>Capital and reserves</b>			
Share capital	31	3,283,318	3,260,236
Reserves		(3,257,213)	(3,249,396)
<b>Total equity</b>		<b>26,105</b>	10,840

Approved and authorised for issue by the board of directors on 27 March 2026 and is signed on its behalf by:

**Mr. So David Tat Man**  
Director

**Mr. Zhuang Miao Zhong**  
Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY**

(continued)

**Movements of the Company's reserves**

	Share capital HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	3,237,959	1,568	(3,218,599)	20,928
Loss for the year	–	–	(32,365)	(32,365)
Rights issue of shares (Note 31)	19,780	–	–	19,780
Transaction costs attributable to rights issue of shares (Note 31)	(2,083)	–	–	(2,083)
Issuance of shares in respect of placing (Note 31)	4,679	–	–	4,679
Transaction costs attributable to placing (Note 31)	(99)	–	–	(99)
At 31 December 2024 and 1 January 2025	<b>3,260,236</b>	<b>1,568</b>	<b>(3,250,964)</b>	<b>10,840</b>
Loss for the year	–	–	(7,817)	(7,817)
Rights issue of shares (Note 31)	<b>18,676</b>	–	–	<b>18,676</b>
Transaction costs attributable to rights issue of shares (Note 31)	<b>(1,374)</b>	–	–	<b>(1,374)</b>
Issuance of shares in respect of placing (Note 31)	<b>6,022</b>	–	–	<b>6,022</b>
Transaction costs attributable to placing (Note 31)	<b>(242)</b>	–	–	<b>(242)</b>
<b>At 31 December 2025</b>	<b>3,283,318</b>	<b>1,568</b>	<b>(3,258,781)</b>	<b>26,105</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 33. SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 December 2025 and 2024 were as follows:

Name of companies	Place of Incorporation/ operation	Issued and fully paid-up share/ registered capital	Percentage of equity attributable the Company				Principal activities
			2025		2024		
			Direct	Indirect	Direct	Indirect	
Building Loan (Hong Kong) Limited	Hong Kong	HK\$1	–	100%	–	100%	Provision of loan financing
Total Global Holdings Limited	BVI	US\$50,000	100%	–	100%	–	Investment holding
Weldtech Technology Co., Limited	Hong Kong	HK\$1,724	–	100%	–	100%	Investment holding
濠信節能科技(上海)有限公司 <sup>(1)</sup> (Haoxin Technology (Shanghai) Company Limited)	PRC	Paid-up capital US\$12,380,000	–	100%	–	100%	Energy Saving Business
濠信節能科技(宿遷)有限公司 <sup>(1)</sup> (Haoxin Technology (Suqian) Company Limited)	PRC	Paid-up capital HK\$27,800,000	–	100%	–	100%	Energy Saving Business
CCIAM E&E Engineering Limited	Hong Kong	HK\$1	–	100%	–	100%	Energy Saving Business
CCIAM Logistic Company Limited	Hong Kong	HK\$1	100%	–	100%	–	Energy Saving Business

(1) These companies are registered as wholly-foreign-owned enterprises with limited liability under the 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 THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 34. CAPITAL COMMITMENT

Capital commitments at each of the end of the reporting period contracted but not provided for in the consolidated financial statements were as follows:

	2025 HK\$'000	2024 HK\$'000
Commitments for the contracts	5,871	4,107

### 35. DEFINED RETIREMENT BENEFITS PLANS

The Group participates in a defined contribution scheme which is registered under a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs in a maximum of HK\$1,500 to the scheme, which contribution is matched by employees.

The total costs charged to the consolidated statement of profit or loss and other comprehensive income of approximately HK\$268,000 (2024: HK\$164,000) represents contributions paid and payable to the MPF Scheme by the Group in respect of the current year.

Pursuant to the regulations of the relevant authorities in the PRC, the Group participates in the PRC pension schemes whereby the Group is required to contribute to the PRC pension schemes to fund the retirement benefits of the eligible employees. Contributions made to the PRC pension schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the PRC pension schemes is to pay the ongoing required contributions under the PRC pension schemes.

The defined retirement benefit plans contribution represents gross contributions by the Group to the PRC pension schemes operated by the relevant authorities of the PRC.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 36. SHARE OPTION SCHEME

On 2 June 2023, the Company terminated its old share option scheme and adopted a new share option scheme (the “**Share Option Scheme**”), pursuant to which the board of directors of the Company (the “**Board**”) may, at its discretion, grant options to the eligible participants (as defined in the Share Option Scheme) including employees, directors, shareholders and other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group. The exercise price for the shares under the Share Option Scheme will be a price determined by the Board in its absolute discretion but shall not be lower than the higher of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheets for the 5 trading days immediately preceding the date of grant. The maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of shares in issue from time to time. Options granted under the Share Option Scheme will entitle the holder to subscribe for shares from the date of grant up to the 10th anniversary of the date of grant. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

On 19 June 2020, a total of 116,203,500 options were granted to Directors and employees of the Group pursuant to the old scheme. The estimated fair value of share options granted on 19 June 2020 are approximately HK\$2,900,000 and out of approximately 561,000 share options with fair value of approximately HK\$138,000 were forfeited in relation to those Directors and employees resigned during the year ended 31 December 2020. The number of outstanding share options and subscription price per share option was adjusted from HK\$0.066 to HK\$0.656 per share option after taking into account of the effect of the share consolidation and rights issue during the year ended 31 December 2020.

The estimated fair value of share options granted on 19 June 2020 are approximately HK\$2,900,000 and out of approximately 2,983,000 share options with fair value of approximately HK\$729,000 were forfeited in relation to those Directors and employees resigned during the year ended 31 December 2021.

The estimated fair value of share options granted on 19 June 2020 are approximately HK\$2,900,000 and out of approximately 1,790,000 share options with fair value of approximately HK\$437,000 were forfeited in relation to those Directors and employees resigned during the year ended 31 December 2022.

The number of outstanding share options and exercise price per share option was further adjusted from HK\$0.656 to HK\$0.570 per share option after taking into account of the effect of the rights issue on 16 January 2023. The estimated fair value of share options granted on 19 June 2020 are approximately HK\$2,900,000 and out of approximately 110,000 share options with fair value of approximately HK\$28,000 were forfeited in relation to those Directors and employees resigned during the year ended 31 December 2023.

The number of outstanding share options and exercise price per share option was further adjusted from HK\$0.570 to HK\$5.70 per share option after taking into account of the effect of the share consolidation on 8 February 2024. As a result of the Company had completed share consolidation on 8 February 2024, the total number of share options outstanding was adjusted to approximately 720,000 consolidated shares.

The number of outstanding share options and exercise price per share option was further adjusted from HK\$5.70 to approximately HK\$5.76 per share option after taking into account of the effect of the share issue on 28 March 2024. As a result of the completion of rights issue on 28 March 2024, the total number of share options outstanding was adjusted to approximately 712,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 36. SHARE OPTION SCHEME (continued)

The number of outstanding share options and exercise price per share option was further adjusted from HK\$5.76 to approximately HK\$5.38 per share option after taking into account of the effect of the share issue on 19 December 2025. As a result of the completion of rights issue on 18 December 2025, the total number of share options outstanding was adjusted to approximately 761,000.

As the fair value of the services received could not be estimated reliably by the Company, the fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise multiple are incorporated into the Binomial Option Pricing Model.

The inputs into the model at grant date were as follows:

	2020
Grant date share price	HK\$0.055
Share price:	HK\$0.055
Exercise price:	HK\$0.066
Adjusted exercise price	HK\$5.38
Expected volatility:	67.55%
Risk-free rate:	0.32%
Expected dividend yield:	0%
Option period:	5 years
Fair value per option	HK\$0.0246-0.0269

Expected volatility was determined by using the historical volatility of the Company's share price over the expected option period. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

During the year ended 31 December 2025, no share-based payment expenses were recognised in relation to share options granted by the Company (2024: Nil).

Details of specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Adjusted exercise price
19 June 2020	Vested immediately from the date of grant	1 January 2021 to 31 December 2025	Approximately HK\$5.38 (2024: HK\$5.76)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

### 36. SHARE OPTION SCHEME (continued)

Details of the terms and movements of the share options granted pursuant to the Share Option Scheme are as follows:

#### 2025

Category of grantee	Date of grant	Exercise Price per share	Exercise Price per share after adjustment	Expiry date	Balance as at 1.1.2025 '000	Granted during the year '000	Adjusted during the year '000	Exercised during the year '000	Forfeited during the year '000	Balance as at 31.12.2025 '000
Directors	19.6.2020	HK\$0.066	HK\$5.38*	31.12.2025	204	–	13	–	–	217
Employees	19.6.2020	HK\$0.066	HK\$5.38*	31.12.2025	508	–	36	–	–	544
					712	–	49	–	–	761
Weighted average exercise price (HK\$)					5.76	–	(0.38)	–	–	5.38*
Weighted average remaining contractual life (year)										–

\* On 19 December 2025, the exercise price per share option had been adjusted from HK\$5.76 to approximately HK\$5.38 as a result of the completion of rights issue.

#### 2024

Category of grantee	Date of grant	Exercise Price per share	Exercise Price per share after adjustment	Expiry date	Balance as at 1.1.2024 '000	Granted during the year '000	Adjusted during the year '000	Exercised during the year '000	Forfeited during the year '000	Balance as at 31.12.2024 '000
Directors	19.6.2020	HK\$0.066	HK\$5.76*	31.12.2025	2,056	–	(1,852)	–	–	204
Employees	19.6.2020	HK\$0.066	HK\$5.76*	31.12.2025	5,140	–	(4,632)	–	–	508
					7,196	–	(6,484)	–	–	712
Weighted average exercise price (HK\$)					5.7	–	0.06	–	–	5.76*
Weighted average remaining contractual life (year)										1

\* On 28 March 2024, the exercise price per share option had been adjusted from HK\$0.570 to approximately HK\$5.76 as a result of the completion of rights issue.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

For the year ended 31 December 2025

**37. RELATED PARTIES TRANSACTIONS**

Except for the compensation to Directors and senior management compensation disclosed in Notes 13 and 14, the Group had no material related party transactions during the year.

**38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Interest payable HK\$'000	Other borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	133	10,000	650	10,783
Changes from financing cash flows:				
Repayment of lease liabilities	–	–	(640)	(640)
Interest paid	(800)	–	–	(800)
Non-cash changes:				
Addition of lease	–	–	424	424
Elimination on early termination	–	–	(23)	(23)
Finance costs (Note 10)	800	–	52	852
Exchange realignment	–	–	(4)	(4)
At 31 December 2024 and 1 January 2025	<b>133</b>	<b>10,000</b>	<b>459</b>	<b>10,592</b>
Changes from financing cash flows:				
Repayment of other borrowings	–	(10,000)	–	(10,000)
Repayment of lease liabilities	–	–	(660)	(660)
Interest paid	(938)	–	–	(938)
Non-cash changes:				
Addition of lease	–	–	1,424	1,424
Elimination on early termination	–	–	(217)	(217)
Finance costs (Note 10)	805	–	55	860
Exchange realignment	–	–	(2)	(2)
<b>At 31 December 2025</b>	<b>–</b>	<b>–</b>	<b>1,059</b>	<b>1,059</b>



## SUMMARY OF FINANCIAL INFORMATION

For the year ended 31 December 2025

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 31 December 2025, as extracted from the audited consolidated financial statements, is as set out below.

### RESULTS

	2025 HK\$'000	For the year ended 31 December			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	<b>50,893</b>	51,900	29,688	23,306	7,583
Loss for the year attributable to owners of the Company	<b>(21,034)</b>	(16,111)	(12,567)	(51,972)	(65,923)

### ASSETS AND LIABILITIES

	2025 HK\$'000	As at 31 December			
		2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	<b>73,291</b>	64,275	57,913	60,171	82,311
Total liabilities	<b>(21,270)</b>	(16,055)	(15,334)	(40,726)	(34,101)
Net assets	<b>52,021</b>	48,220	42,579	19,445	48,210