

Central New Energy Holding Group Limited 中環新能源控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1735

2025 ANNUAL REPORT



CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	6
Biographies of Directors and Senior Management	11
Directors' Report	15
Corporate Governance Report	29
Independent Auditors' Report	43
Consolidated Statement of Profit or Loss and Other Comprehensive Income	47
Consolidated Statement of Financial Position	48
Consolidated Statement of Changes in Equity	50
Consolidated Statement of Cash Flows	51
Notes to the Consolidated Financial Statements	52
Financial Summary	128



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yu Zhuyun (*Chairman and Chief Executive Officer*)
Mr. Li Menglin

Non-executive Directors

Mr. Qiao Xiaoge
Ms. Zhu Yujuan

Independent non-executive Directors

Mr. Wang Wenxing
(*Lead independent non-executive Director**)
Dr. Li David Xianglin
Dr. Zhou Chunsheng

AUDIT COMMITTEE

Mr. Wang Wenxing (*Chairperson*)
Mr. Qiao Xiaoge
Dr. Li David Xianglin

REMUNERATION COMMITTEE

Dr. Li David Xianglin (*Chairperson*)
Ms. Zhu Yujuan
Dr. Zhou Chunsheng

NOMINATION COMMITTEE

Mr. Yu Zhuyun (*Chairperson*)
Mr. Wang Wenxing
Dr. Zhou Chunsheng
Ms. Zhu Yujuan*
Dr. Li David Xianglin*

SENIOR MANAGEMENT

Mr. Yu Zhuyun (*Chief Executive Officer*)
Ms. Hu Longzhi (*Chief Financial Officer*)

COMPANY SECRETARY

Mr. Tung Tat Chiu, Michael

AUTHORISED REPRESENTATIVES

Mr. Yu Zhuyun
Mr. Tung Tat Chiu, Michael

REGISTERED OFFICE IN CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2102-03 & 10-12
21/F, K. Wah Centre
191 Java Road
North Point
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Tung & Co.
Office 1601, 16/F, LHT Tower
31 Queen's Road Central
Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

PRINCIPAL BANKERS

Citibank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited

COMPANY WEBSITE

www.centralenergy.cn

STOCK CODE

1735

* Effective from 14 July 2025

Chairman's Statement

責任源自內心

YU ZHUYUN

Chairman



Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors ("**Director(s)**") of Central New Energy Holding Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I would like to present to shareholders of the Company ("**Shareholders**") the annual report of the Group for the year ended 31 December 2025 (the "**Reporting Year**").

REPORTING YEAR REVIEW

In 2025, in the midst of global economic slowdown, intensifying climate change impact and growing market uncertainties, the Group demonstrated its strong resilience and innovation in the complicated and ever-changing international market through its firm conviction and forward-looking strategies.

As confronted by numerous uncertainties in the global environment, the Group has consistently adhered to the core philosophy of "responsibility at the heart", and unremittingly practised the concept of sustainable development. On one hand, the Group staunchly pursued the path of green development. In an active response to the national call, the Group strode towards high-end manufacturing during its transformation under the "dual carbon" goal. On the other hand, following years of ample research and market development, the Group, with a forward-looking strategic acumen, has actively explored the path of low-carbon transformation, making due contributions to the global green and low-carbon development.

In light of these developments, the Group has been determined to scale down its operations in the construction sector, an industry that is currently facing headwinds due to market overcapacity and geopolitical tensions. This strategic retreat allows the Group to redirect its resources and focus more intently on its burgeoning renewable energy business, an area where the Board believes the future lies.

The Group's concentration on new energy solutions aligns not only with the global shift towards sustainability but also with its own aspirations for long-term growth and resilience. By pivoting towards renewables, the Group is positioning itself at the forefront of a sector that promises immense potential for innovation, job creation, and environmental stewardship.

The Board reckons that this transformation necessitates bold actions and a willingness to embrace change. The Group's dedicated teams are working tirelessly to ensure a seamless transition, harnessing advanced technologies and fostering collaborative partnerships that will accelerate its journey towards becoming a leading player in the renewable energy market.

During the Reporting Year, the Group reached an important milestone. With the full production capacity of 3GW photovoltaic ("**PV**") components and 6GW PV battery production, the Group achieved full-capacity operation, while sales of N-type batteries and PV components manifested strong growth momentum. The Group persisted in delivering reliable and efficient products and services to customers, while continuing to improve product quality. As a result, the Group's product conversion efficiency, stability, and quality were recognised by customers and professional institutions. In terms of smart energy management services, the Group focused on fully satisfying customers' requirements and expectations, by closely keeping abreast of technological innovation and industrial development, and quickly responding to and fulfilling the diverse needs of customers.

In 2025, the Group was committed to implementing efficient governance measures to create sustainable value for Shareholders and stakeholders. The Group paid attention to employee welfare, providing employees with an equal, safe, healthy, and harmonious workplace to promote their career development. Taking it as the Group's responsibility to practise sincere social responsibility, the Group actively participated in social welfare undertakings, and empowered education, charity and poverty alleviation to benefit the public, spreading warmth to society with the Group's goodwill.

Chairman's Statement

This year, the Group will disclose an Environmental, Social, and Governance ("**ESG**") report in strict compliance with the reporting framework of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). In a fair, transparent and balanced manner, the Group will introduce to the Shareholders the measures taken and achievements made by the Group in the ESG aspects over the Reporting Year.

The Group will consistently deliver the national "dual carbon" commitment through practical actions, maintain its original goodwill towards the market, society and customers, and steadily advance towards a future of high-quality sustainable development. The Group is willing to join forces with partners and stakeholders to contribute green power to the global effort to address climate change and safeguard a healthy ecosystem, shaping a more sustainable future together. The Group firmly believes that the extensive applications of solar energy will enable it to bring well-being to mankind. With solar energy amassed and well utilised, the Group will build a bright future.

YU Zhuyun

Chairman

Hong Kong, 31 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

To align with evolving market dynamics and accelerate its transition to sustainable new energy business, the Group would continue to implement a strategic reallocation of resources to prioritise renewable energy initiatives. This realignment will involve gradually scaling back its green construction operations while intensifying investments in emerging energy sectors.

Since 2022, the Company has invested in the high-efficiency photovoltaic (“**PV**”) N-type battery and the advanced PV component in Fengtai County. In 2024, phase I and phase II construction of the 3GW PV component and the 6GW PV battery project were completed and put into production. Phase III construction of the 7.5GW PV battery and the 3.5GW component project is expected to be completed by the end of 2026. On the other hand, the Group has also planned to establish a new phase construction of 6GW PV battery and 5GW PV component project in Ningxia City, which is expected to be completed in the second quarter of 2026 and put into production by the end of 2026.

The transition would include but is not limited to: (i) redirecting capital, research and development efforts and human resources to strengthen capabilities in renewable energy technologies; (ii) establishing new energy solutions as the Group’s core growth driver while maintaining commitments to existing green construction projects; and (iii) implementing a phased approach to scale down green construction business line in 5-10 years.

The Group is devoted to the concept of green development through PV power generation system and energy storage technology to create an energy-saving and sustainable living environment.

During the Reporting Year, the Group was principally engaged in the business of (i) new energy and EPC; (ii) green building and construction related business; (iii) smart energy management services; (iv) health and wellness; and (v) F&B supply chain. The Group seeks to achieve synergistic value amongst the segments in order to obtain higher returns and greater business opportunities for the Group.

New energy and EPC

During the Reporting Year, the new energy and EPC segment recorded a revenue of approximately HK\$8,530.3 million (the year ended 31 December 2024 (“**Previous Reporting Year**”): approximately HK\$4,127.5 million), which accounted for approximately 77.4% (Previous Reporting Year: approximately 68.4%) of the Group’s total revenue. The increase in revenue was in line with the completion of the phase II construction project of high-efficiency N-type battery at the end of 2024 as well as the achievement of full capacity of the 3GW PV component and the 6GW PV battery production during the Reporting Year.

Green building and construction related business

During the Reporting Year, the revenue from green building and construction related business segment was approximately HK\$602.1 million (Previous Reporting Year: approximately HK\$908.4 million), which accounted for approximately 5.5% (Previous Reporting Year: approximately 15.1%) of the Group’s total revenue. The decrease was in line with the Group’s business strategy to put more resources in the new energy and EPC segment and smart energy management service during the Reporting Year.

Smart energy management services

During the Reporting Year, the revenue in smart energy management services segment was approximately HK\$111.6 million (Previous Reporting Year: approximately HK\$65.9 million), which accounted for approximately 1.0% (Previous Reporting Year: approximately 1.1%) of the Group’s total revenue. The increase in revenue was consistent with the Group’s business strategy to put more resources in the new energy and EPC segment and smart energy management service during the Reporting Year.

Management Discussion and Analysis

Health and wellness

Health and wellness business includes provision of health and wellness services, which include the healthcare consulting and supplying of healthcare products, green food and beauty products. During the Reporting Year, the revenue in health and wellness business was approximately HK\$1,772.8 million (Previous Reporting Year: approximately HK\$925.3 million), which accounted for approximately 16.1% (Previous Reporting Year: approximately 15.3%) of the Group's total revenue. The increase was mainly due to a strong growth in sales volume of green food products during the Reporting Year.

F&B supply chain

F&B supply chain includes supply chain services of agriculture products, frozen meats and other F&B materials. During the Reporting Year, the revenue from F&B supply chain segment was nil (Previous Reporting Year: approximately HK\$5.1 million), which accounted for approximately 0% (Previous Reporting Year: approximately 0.1%) of the Group's total revenue. The decrease was consistent with the Group's business strategy to put more resources in the new energy and EPC segment and smart energy management service during the Reporting Year.

FUTURE PLANS AND PROSPECTS

During the Reporting Year, the Group has entered into certain framework agreements for, among others, cooperation in project development in new energy, decarbonisation, sustainable aviation fuel and related industries, upon the Board's belief that such cooperation will allow the Group to leverage its experience and capabilities in the development and operation of new energy projects while exploring opportunities in other new energy markets along the "Belt and Road". For details, please refer to the announcements of the Company dated 8 April 2025, 7 May 2025, 11 June 2025, 25 August 2025, 26 August 2025, 19 September 2025 and 17 October 2025.

Meanwhile, the Group will continue to seek new green energy business opportunities, and to develop its high-efficiency PV N-type battery and advanced PV component supply business in Fengtai County and Tongcheng City.

As we look to the future, our vision is clear to be a leading architect of a decentralized, resilient and clean energy future. We are moving beyond simply manufacturing solar photovoltaic (PV) components and photovoltaic batteries, we are engineering energy independence. Our strategic direction is built upon few core pillars in response to this new global reality:

Accelerating Energy Independence: The volatility of fossil fuel markets, heavily influenced by global events, has made energy security a national and individual priority. Solar power, once viewed primarily through an environmental lens, is now recognized as a critical component of energy independence. The Group is committed to scaling up its manufacturing capacity to meet this surging demand. The Group will provide the tools from high-efficiency residential panels to utility-scale solar farm that allow nations, businesses, and homeowners to take control of its own energy production, insulating themselves from external shocks and price fluctuations.

Strengthening Supply Chain Resilience: Recent global disruptions have exposed the vulnerabilities of concentrated supply chains. The Group is proactively building a more robust and diversified supply network. By investing in regional manufacturing partnerships and exploring innovative sourcing strategies, the Group is ensuring that its customers receive reliable, uninterrupted access to our products.

Driving Innovation for a Demanding Future: The world's energy needs are growing, and the need for reliable power has never been more urgent. The Group's R&D efforts are laser-focused on creating the next generation of solar technology.

Management Discussion and Analysis

The challenges facing the world are significant, but they have also accelerated the inevitable transition to clean energy. The Group sees a future where its solar panels are not just a product, but a cornerstone of a more peaceful, prosperous, and secure world. The Group is not just building a company; it is building the foundation for a future where energy is a source of empowerment, not conflict.

The Group is confident in its path forward and committed to leading the charge towards a brighter, more resilient tomorrow.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Reporting Year amounted to approximately HK\$11,016.8 million, i.e. about 82.6% more than that of approximately HK\$6,032.0 million for the Previous Reporting Year. The improvement was primarily due to the combined effect of: (i) the increased revenue from the new energy and EPC segment which amounted to approximately HK\$8,530.3 million (Previous Period: approximately HK\$4,127.5 million) as a result of a growth in sales volume of PV components and high efficiency N-type battery; and (ii) the increased revenue from the health and wellness segment which amounted to approximately HK\$1,772.8 million (Previous Period: approximately HK\$925.3 million).

	Year ended 31 December 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
New energy and EPC	8,530,316	4,127,452
Green building and construction related business	602,118	908,398
Smart energy management services	111,638	65,863
Health and wellness	1,772,774	925,256
F&B supply chain	–	5,057
	11,016,846	6,032,026

Gross Profit and Gross Profit Margin

The Group's gross profit for the Reporting Year amounted to approximately HK\$210.5 million, representing an increase of approximately 64.8% as compared with approximately HK\$127.8 million for the Previous Reporting Year. The increase in gross profit was mainly due to increase in revenue from the new energy and EPC segment. The Group's gross profit margin decreased from approximately 2.1% for the Previous Year to approximately 1.9% for the Reporting Year.

Other Income and Gains

The Group's other income and gains for the Reporting Year amounted to approximately HK\$122.8 million, representing a decrease of approximately 32.8% as compared with approximately HK\$182.7 million for the Previous Reporting Year. The decrease was mainly due to the decrease in government grants and gains from disposal of subsidiaries during the Reporting Year.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses for the Reporting Year amounted to approximately HK\$164.5 million, representing a decrease of approximately 4.8% as compared with approximately HK\$172.8 million for the Previous Reporting Year. The decrease is mainly due to decrease in labour cost as a result of the adoption intelligent and automated machines to replace the manual labor with automated system during the Reporting Year.

Management Discussion and Analysis

Income Tax Expense

The Group's income tax expenses for the Reporting Year amounted to approximately HK\$21.6 million (Previous Reporting Year: approximately HK\$2.2 million). Such increase was in line with the increase in revenue during the Reporting Year.

Net Profit

The Group reported a net profit for the Reporting Year of approximately HK\$60.7 million as compared to the net profit of approximately HK\$54.1 million for the Previous Reporting Year. The increase in net profit was in line with the increase in revenue and the decrease in administrative and other operating expenses during the Reporting Year.

Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")

Non-HKFRS measures are to supplement the Group's financial results which are presented in accordance with HKFRS Accounting Standards. EBITDA is used as an additional financial measure. The Group believes that non-HKFRS measures provide useful information to investors and others to understand and evaluate the Group's consolidated results for the purpose of comparison across accounting periods and with those of its peer companies.

The following table sets forth the Group's non-HKFRSs financial data for the Reporting Year and the Previous Reporting Year:

	Year ended 31 December 2025 HK\$'000	Year ended 31 December 2024 HK\$'000
Profit for the year	60,734	54,098
Interest income	(17,979)	(9,864)
Finance costs	66,564	51,385
Taxation	21,558	2,185
Depreciation	190,814	142,081
EBITDA	321,691	239,885

EBITDA for the Reporting Year amounted to a profit of approximately HK\$321.7 million as compared with a profit of approximately HK\$239.9 million for the Previous Reporting Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Reporting Year, the Group funded its liquidity and capital requirements primarily through capital contributions and cash inflow generated from operating activities.

As at the end of the Reporting Year, the Group had cash and bank balances of approximately HK\$324.2 million (Previous Reporting Year: approximately HK\$265.9 million).

As at the end of the Reporting Year, the share capital and equity attributable to owners of the Company amounted to approximately HK\$2.6 million and HK\$1,505.2 million, respectively (Previous Reporting Year: approximately HK\$2.6 million and HK\$1,114.1 million, respectively).

The current ratio was 1.1 times during the Reporting Year (Previous Reporting Year: 1.2 times).

Management Discussion and Analysis

Foreign Exchange Risk

The Group mainly operates in Hong Kong and the PRC in 2025. Accordingly, all operating transactions and revenue are settled in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen subjecting the Group to foreign exchange risk. The Group has actively taken various measures to manage foreign exchange risk.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in Note 37, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Year.

CHARGES ON ASSETS

Save as disclosed in Notes 14, 25 and 33 of the Financial Statements, the Group did not have any significant charges on its assets as at 31 December 2025.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investments during the Reporting Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific future plan for material investments or capital assets as at 31 December 2025.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 699 employees (including full-time and casual employees who are paid on a daily basis) as at 31 December 2025 (Previous Reporting Year: 1,118). Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave for the Reporting Year amounted to approximately HK\$133.0 million (Previous Reporting Year: approximately HK\$184.5 million). The remuneration policy and package of the Group's employees are periodically reviewed. Apart from mandatory provident fund and job training programs, salary increment and discretionary bonuses may be awarded to employees upon approval by the Board according to the Group's operating results, individual performance and market situation.

CAPITAL COMMITMENTS

The Group had capital commitments for an acquisition of property, plant and equipment and right-of-use assets amounted to approximately HK\$222.6 million as at 31 December 2025 (Previous Reporting Year: approximately HK\$842.4 million).

CONTINGENT LIABILITIES

Subsidiaries of the Company are involved in a number of potential claims relating to employees' compensation cases and personal injury claims as well as summonses for safety-related incidents in the ordinary course of business as at the date of this report. The Directors considered that the possibility of any outflow in settling (i) the potential personal injury claims were remote as these claims were well covered by insurance; and (ii) the summonses will be insignificant to the business of the Group. Accordingly, no provision for the contingent liabilities in respect of the potential personal injury claims and the summonses is necessary after due consideration of each case.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Reporting Year (Previous Reporting Year: Nil).

EVENTS AFTER THE REPORTING YEAR

There had been no significant event since the end of the Reporting Year and up to the date of this report.

Biographies of Directors and Senior Management

Biographical details of the Directors and senior management of the Company are set out as follows:

EXECUTIVE DIRECTORS

Mr. Yu Zhuyun (余竹雲), a PRC national, has been an executive Director and the chairman of the Board (the “Chairman”) since October 2019, and was appointed as the chief executive officer (the “CEO”) in April 2020. Mr. Yu Zhuyun is a pioneer and practitioner in the field of photovoltaic new energy, the coordinated development of the hydrogen-ammonia-methanol industry and the construction and operation of zero-carbon industrial parks in the PRC. As an entrepreneur, he has over 20 years of experience primarily in corporate management and investment across multiple industries, including the new energy sector. He founded Anhui Central Holding Group Co., Ltd. (安徽中環控股集團有限公司) (“Anhui Central”) in 2004, which has now developed into a diversified industrial group engaged in the manufacturing of photovoltaic new energy cells and modules, integrated energy management covering generation-grid-load-storage, the hydrogen-ammonia-methanol industrial chain, and new energy + AI businesses. Mr. Yu is currently serving as the chairman of the Board of Central New Energy Holding Group and the chairman of the board of directors of Anhui Central.

Mr. Yu currently holds numerous public positions, including standing committee member of the All-China Youth Federation (中華全國青年聯合會), standing vice president of the China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會), standing council member of the China Society for Promotion of the Guangcai Program (中國光彩事業促進會), council member of the China Young Volunteers Association (中國青年志願者協會), permanent standing council member of the China Mergers & Acquisitions Association (中國併購公會), standing president of the New Energy Chamber of Commerce of the All-China Federation of Industry and Commerce (全國工商聯新能源商會), vice president of the Anhui Federation of Industry and Commerce (安徽省工商業聯合會), member of the 11th, 12th and 13th Anhui Provincial Committee of the Chinese People’s Political Consultative Conference (中國人民政治協商會議第十一屆、十二屆、十三屆安徽省委員會), vice president of the Guangdong-HK-Macao Greater Bay Area Entrepreneurs Alliance (粵港澳大灣區企業家聯盟), standing vice president of the Anhui Fraternity Association (Hong Kong) (香港安徽聯誼總會), founding president of the HK Hefei Association (香港合肥同鄉聯合會), president of the Hong Kong Industrial & Commercial Association (香港工商總會), rotating chairman of the Shanghai Entrepreneur Association (新滬商聯合會), founding president of the Anhui New Energy Chamber of Commerce (安徽省新能源商會), and standing vice president of the Anhui International Chamber of Commerce (安徽省國際商會).

Mr. Yu obtained a Master of Business Administration from Hong Kong Baptist University in November 2007; and an Executive Master of Business Administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2013. Mr. Yu Zhuyun has long been committed to charitable and philanthropic activities, with cumulative donations exceeding RMB90 million. He has received numerous honours, including “China Good Samaritan”, “Nominee Award for National Moral Model”, “Anhui Moral Model”, “National Advanced Individual in the Private Economy for Combating COVID-19”, “Anhui Charity Award — Charity Role Model (Individual)”, and “Outstanding Individual in Promoting Higher-quality Integrated Development in the Yangtze River Delta Region of Anhui Province”.

Mr. Li Menglin (李夢琳), aged 69, has been an executive Director since 30 April 2020. Mr. Li has extensive experience in the banking and financial services sectors in the PRC. During the period from April 1998 to September 2017, he held various senior positions at the Anhui provincial branch of the Industrial and Commercial Bank of China, including the president of Anqing branch, chief of the education department, chief manager of real estate financing department, head of stock reform office, chief manager of company services II department, and manager and senior manager of small-sized enterprises financing department. From September 2017 to July 2019, he served as the chairman of the board and the president of Anhui Xin’an Bank* (安徽新安銀行), and has been serving as a consultant of Anhui Xin’an Bank since June 2019.

Mr. Li received the awards of Model Individual in Consumer Credits Management Works of 2005* (2005年度中國工商銀行消費信貸管理工作先進個人), Annual Excellent Performance by the Anhui Provincial Branch of the Industrial and Commercial Bank of China* (中國工商銀行省行本部年度考核優秀等次) in 2007, 2013 and 2015 and Model Worker in the Innovative Work in the Finance Sector in Anhui Province of 2010* (2010年度安徽省金融創新工作先進個人).

Mr. Li obtained a Bachelor of Economics in Finance awarded by Anhui University of Finance and Economics in July 1982. He was awarded a Master of Business Administration (International) by the University of Hong Kong in December 2003 in the IMBA Programme co-organised by the University of Hong Kong and Fudan University (復旦大學) in the PRC.

Biographies of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. Qiao Xiaoge (喬曉戈), aged 59, has been a non-executive Director since 4 October 2019. He is also a member of the Audit Committee. Mr. Qiao is experienced in the field of real estate development and construction. During the period from March 2000 to November 2003, he served as a deputy general manager of the predecessor company of Wanda Commercial Properties (Group) Co., Ltd.* (萬達商業地產(集團)有限公司), a private property developer. He then served as a vice president of Sunac Huabei Development Group Co., Ltd.* (融創華北發展集團有限公司), a company principally engaged in real estate development and commercial property leasing, from January 2004 to June 2006. He has been serving as the president of Anhui Central since August 2011.

Mr. Qiao graduated from Hefei University (合肥學院) in the PRC in July 1991.

Ms. Zhu Yujuan (朱玉娟), aged 47, has been a non-executive Director since 4 October 2019. She is also a member of each of the Remuneration Committee and the Nomination Committee. Ms. Zhu joined Anhui Central in February 2009. She had served in various positions in Anhui Central, including general manager of the administrative and human resources management center and assistant to the president. She is currently serving as a vice president of Anhui Central.

Ms. Zhu graduated from Hefei University of Technology (合肥工業大學) and the Institute of Psychology of the Chinese Academy of Sciences (中國科學院心理研究所) in the PRC in January 2009 and February 2011, respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Li David Xianglin (李祥林), aged 63, has been an independent non-executive Director since 4 October 2019. He is also the chairperson of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Dr. Li is currently a professor of finance at the Shanghai Advanced Institute of Finance (上海高級金融學院), an associate dean, the director of the risk management research center (風險管理研究中心) and the director of the FinTech Research Center (金融科技研究中心) of the Chinese Academy of Financial Research (中國金融研究院), and a co-director of the Master of Finance program in Shanghai Jiao Tong University (上海交通大學) in the PRC. Prior to joining Shanghai Jiao Tong University (上海交通大學), he had served in leading financial institutions for more than two decades. He was the head of global credit derivatives research of Citigroup from October 2001 to June 2004, the head of quantitative analysis of credit derivatives of Barclays Capital from June 2004 to April 2008, the chief risk officer of China International Capital Corporation Limited from May 2008 to January 2012, the director of senior management and the head of modeling for AIG Investments from January 2012 to March 2016, and the senior vice president of investment and the person-in-charge of the risk analytics and methodology department of Prudential Financial, Inc. from March 2016 to December 2017.

Dr. Li obtained a Master of Business Administration from Laval University in Canada in May 1991. He further obtained a Master of Mathematics (Actuarial Science) and a Doctor of Philosophy (Statistics) from the University of Waterloo in Canada in May 1992 and October 1995, respectively.

Dr. Li has served as an independent non-executive director of Lufax Holding Ltd, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6623), since 2021.

Mr. Wang Wenxing (王文星), aged 57, has been an independent non-executive Director since 4 October 2019 and has been designated as the lead independent non-executive Director since 14 July 2025. He is also the chairperson of the Audit Committee and a member of the Nomination Committee.

Mr. Wang is currently serving as a senior tax consultant of Triangle Accounting Limited and an international tax consultant of Mind & Sun Partners in Shanghai. He has also been serving as a senior partner, the chief accountant and the quality control director of Anthony Chen CPA, PLLC since February 2009. During the period from May 1995 to March 2003, he served as a project manager in the Guangzhou Branch of the China Council for the Promotion of International Trade (中國國際貿易促進委員會廣州市分會)(also known as the Guangzhou Chamber of Commerce of the China International Chamber of Commerce (中國國際商會廣州市商會)). He was the chief tax accountant of the high net value business department of AIA China from April 2015 to June 2017.

Mr. Wang obtained a Master of Science from the City University of New York in the United States in February 2008. He has been enrolled to practice before the Internal Revenue Service of the Department of the Treasury of the United States since November 2010.

Mr. Wang served as an independent non-executive director of King's Stone Holdings Group Limited (formerly known as Silver Tide Holdings Limited), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1943), from October 2022 to July 2025.

Biographies of Directors and Senior Management

Dr. Zhou Chunsheng (周春生), aged 60, has been an independent non-executive Director since 4 October 2019. He is also a member of each of the Remuneration Committee and the Nomination Committee.

Dr. Zhou is currently a professor of Cheung Kong Graduate School of Business (長江商學院) in the PRC. He has served as an independent non-executive director of Transfar Zhilian Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002010), from November 2015 to 2024, a director of Nanda Automation Technology Jiangsu Co., Ltd, a company then listed on the National Equities Exchange and Quotations Co., Ltd. (stock code: 834876), and an independent non-executive director of Kunwu Jiuding Investment Holdings Co., Limited ("**Kunwu Holdings**"), a company listed on the Shanghai Stock Exchange (stock code: 600053), from March 2016 to January 2022. The Company was notified on 8 October 2021 that an announcement was made by Kunwu Holdings on 25 September 2021 in relation to, among other things, the receipt of a decision on administrative supervision measures 《(中國證券監督管理委員會江西監管局行政監管措施決定書)》 from Jiangxi Regulatory Bureau of China Securities Regulatory Commission ("**CSRC**") (中國證券監督管理委員會江西監管局) by Kunwu Holdings and the secretary to the board of directors of Kunwu Holdings. To the Directors' best knowledge, information and belief, Dr. Zhou is not involved in the day-to-day management of Kunwu Holdings, and has not been subject to any sanction, administrative penalty or criticism by the CSRC and the Shanghai Stock Exchange. For further details, please refer to the announcement of the Company dated 11 October 2021. He has also been a director of Guanghua Tiancheng Investments Co., Ltd. since March 2007, and an independent non-executive director of Hua Chuang Securities Brokerage Co., Ltd. and China Southern Fund Management Co., Ltd. since June 2007.

Dr. Zhou served as an independent non-executive director of Pine Technology Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1079), from July 2017 to November 2025, and an independent non-executive director of Zhonghong Holdings Co., Limited ("**Zhonghong Holdings**"), a company then listed on the Shenzhen Stock Exchange (stock code: 000979), from May 2008 to April 2020. The Board was informed by Dr. Zhou on 23 October 2019 that Zhonghong Holdings, a company of which Dr. Zhou served as an independent non-executive director, received an Investigation Notice (《調查通知書》) from the CSRC on 14 August 2018. To the best knowledge, information and belief of the Board, Dr. Zhou is not involved in the day-to-day management of Zhonghong Holdings, and has not been subject to any censure, administrative penalty or criticism by the Shenzhen Stock Exchange and the CSRC. For further details, please refer to the announcement of the Company dated 25 October 2019. Dr. Zhou also served as an independent non-executive director of China ITS (Holdings) Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 1900), from September 2008 to June 2018, an independent non-executive director of Green Leader Holdings Group Limited, the shares of which are listed on the Stock Exchange (stock code: 61), from June 2013 to August 2019, an independent non-executive director of Guosheng Financial Holding Inc., a company listed on the Shenzhen Stock Exchange (stock code: 002670), from July 2015 to April 2020, and an independent director of Leshan City Commercial Bank, from August 2012 to January 2019.

Dr. Zhou was an economist of the U.S. Federal Reserve Board from April 1995 to September 1997, where he was responsible for the analysis, control and management of financial risks, an assistant professor at the University of California (Riverside) from September 1997 to April 2001, an associate professor of the Business School of the University of Hong Kong from July 2000 to July 2001, a commissioner of the Development and Strategy Committee of the CSRC (中國證券監督管理及規劃委員會委員) from April 2001 to December 2001, and a finance professor of the Guanghua School of Management at Peking University (北京大學) from July 2001 to December 2006.

Dr. Zhou obtained a Master of Science from Peking University (北京大學) in the PRC in July 1988, and a Doctor of Economics from Princeton University in the United States in May 1995.

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

Ms. Hu Longzhi (胡龍芝), aged 50, was the financial controller of the Group since 2019 and was subsequently promoted to the chief financial officer of the Group in 2023. She is currently tasked with the Group's corporate affairs and overall management of the financial management center. She has more than 15 years of experience in auditing, financing and financial management of listed companies. Meanwhile, she has a comprehensive financial knowledge system, including financial and tax policy, operation analysis, budget management, cost control and accounting. During Ms. Hu's tenure, she has improved and standardised the Group's financial control system, established and enhanced the Group's financing system and financing model.

Mr. Tung Tat Chiu (佟達釗), aged 63, was appointed as the company secretary of the Company ("**Company Secretary**") on 3 May 2023. Mr. Tung is the senior partner of Tung & Co., the Company's legal advisers as to Hong Kong laws. He holds a Bachelor of Arts degree in law and accounting from The University of Manchester, the United Kingdom. He has over 35 years of experience as practising lawyer in Hong Kong. He is also a China-Appointed Attesting Officer. He was qualified as a lawyer of Guangdong-Hong Kong-Macau Greater Bay Area recognised by the Department of Justice of Guangzhou Province of the PRC in June 2024. Mr. Tung currently serves as a joint company secretary of Jiangxi Copper Company Limited (stock code: 358), Harbin Electric Company Limited (stock code: 1133) and Qingling Motors Co. Ltd (stock code: 1122), respectively, and as the sole company secretary of City Coolxuan Company Limited (formerly known as Quantum Thinking Limited (stock code: 8050)), ContiOcean Environment Tech Group Co., Ltd. (stock code: 2613) and TATA Health International Holdings Limited (stock code: 1255) respectively. He is an external service provider engaged by the Company to provide company secretarial services.

English translation of names in Chinese which is marked with "" in this annual report is for identification purposes only.*

Directors' Report

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the Reporting Year (the "**Financial Statements**").

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands with limited liability on 29 March 2017. The Company completed the corporate reorganisation (the "**Reorganisation**") on 8 March 2018 in preparation for the listing of the shares of the Company (the "**Shares**") on the Main Board of the Stock Exchange, pursuant to which the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the section headed "History and Development — Reorganisation" in the prospectus of the Company dated 19 March 2018.

The Company has a principal place of business in Hong Kong at Unit 2102-03 & 10-12, 21/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 12 to the Financial Statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries during the Reporting Year are set out in Note 12 to the Financial Statements.

BUSINESS REVIEW

The business review and outlook of the Group for the Reporting Year are set out in the section headed "Management Discussion and Analysis" in this annual report.

SEGMENTAL INFORMATION

Details of segment reporting are set out in Note 5 to the Financial Statements.

RESULTS

The results of the Group for the Reporting Year and the financial position of the Group as at 31 December 2025 are set out in the Financial Statements on pages 47 to 49 of this annual report.

FINAL DIVIDENDS

The Board did not recommend the payment of a final dividend for the Reporting Year (Previous Reporting Year: Nil).

ANNUAL GENERAL MEETING

The annual general meeting (the "**AGM**") of the Company will be held in the manner required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") on Friday, 26 June 2026. A notice convening the AGM will be issued and sent to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlement to attend and vote at the AGM to be held on Friday, 26 June 2026, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2026.

Directors' Report

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group relating to its business:

A significant portion of the Group's revenue was generated from contracts awarded by a limited number of customers, and any significant decrease in the number of projects with major customers may materially and adversely affect its financial condition and operating results

A significant portion of the Group's revenue was derived from a limited number of customers during the Reporting Year. There is no assurance that the Group will continue to obtain contracts from its major customers, and in the event that it is unable to secure suitable projects of a comparable size and quantity as replacements from other customers, the Group's financial condition and operating results would be materially and adversely affected. In addition, in the event that the Group's major customers experience any liquidity problem, they may delay or default in their payments to the Group, in which case the Group's business, financial positions and prospects could be materially and adversely affected.

Any failure to accurately estimate the project costs in tenders and/or any delay in completion of projects may lead to cost overruns or even result in losses

The Group's ability to submit tender proposals at a competitive price with adequate profit margin to maintain its profitability depends on various factors. The Group determines the tender price by taking into account factors including the scope and complexity of the project, site conditions, project time frame, estimated construction materials costs, labour and machinery requirements and capacity, extent of subcontracted works required, relationship with customers and prevailing market conditions. In addition, the Group may be subject to liquidated damages due to delay in completing the projects, calculated on the basis of a fixed sum per day or according to certain mechanism as stipulated under the contracts. Any material inaccurate estimation in the time and costs involved in a project may give rise to delays in completion of works and/or costs overruns, which in turn may materially and adversely affect the Group's financial condition, profitability and liquidity.

The Group is required to comply with various environmental, safety and health laws and regulations which are extensive and the compliance of which may be onerous or expensive

As part of the Group's construction business operation in the PRC, it is required to comply with various and extensive environmental as well as health and safety laws and regulations promulgated by the PRC government and the governments of other overseas jurisdictions in which it operates. If the Group fails to comply with these laws and regulations, it could be exposed to penalties, fines, suspension or revocation of its licenses or permits to conduct business, administrative proceedings and litigation. Given the magnitude and complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. As these laws and regulations continue to evolve, there can be no assurance that the PRC government or the governments of other overseas jurisdictions in which the Group has operations will not impose additional or more onerous laws or regulations, compliance with which may cause it to incur significantly increased costs, which it may not be able to pass on to its customers.

The Group requires permits or licenses to undertake its business operations and any loss, termination or non-renewal of these permits or licenses could have a significant and adverse impact on its business.

The Group requires permits and licenses issued by the relevant government agencies to conduct its business and it must comply with the restrictions and conditions imposed by various levels of government to maintain its permits and licenses. If the Group fails to comply with any of the regulations required for the maintenance of its permits and licenses, its permits and licenses could be temporarily suspended or even revoked.

Directors' Report

The Group's business is dependent on changes in Governmental Policies and Incentives

- Our business is significantly influenced by governmental policies and incentives relating to new energy and photovoltaic ("PV") industries, including feed-in tariffs, tax incentives, subsidies, renewable portfolio standards, and carbon neutrality targets. Any reduction, withdrawal, delay in implementation or material change of such policies may materially and adversely affect the demand for our products, selling prices, project economics and our overall financial performance.

The Group's business may face the risk from trade barriers and protectionism:

- We face risks from trade protectionist measures, including anti-dumping and countervailing duties, import tariffs, import quotas, and licensing requirements imposed by major markets such as the European Union, the United States, and other regions. Such measures may restrict our access to key markets, increase costs, and lead to a decline in sales volume and market share.

The Group's business may be affected by volatility of Global Energy Transition:

- The progress of global energy transition, geopolitical situations, and global economic cycles may affect the pace of PV installations and investment in renewable energy, thereby impacting the demand and pricing of our solar PV modules and cells.

The Group's business may face industry overcapacity and price Competition

- The PV industry is cyclical and characterized by rapid capacity expansion. Persistent overcapacity may trigger intense price competition, resulting in downward pressure on average selling prices and gross profit margins of our products, which could materially harm our profitability and financial condition.

The Group may face intense market competition:

- The market for solar PV modules and cells is highly competitive, with numerous domestic and international manufacturers. We may fail to maintain our competitive edge in terms of technology, cost control, product quality, brand reputation, and scale, leading to loss of market share and weaker profitability.

Customer Concentration Risk:

- A substantial portion of our revenue may be derived from a limited number of large customers. The loss, delay in payment, or financial difficulties of any key customer could have a material adverse effect on our revenue, cash flow and business operations.

Fluctuations in Raw Material Prices:

- Our production costs are highly sensitive to prices of upstream raw materials, including polysilicon, silver paste, glass, aluminium frames, and wafers. Sharp and prolonged increases in raw material costs may reduce our gross profit margins and adversely affect our financial performance.

Supply Chain Disruptions:

- Our operations are exposed to risks of supply chain disruptions arising from geopolitical tensions, logistics bottlenecks, pandemics, natural disasters, shortages of key components, or production halts of major suppliers. Any such disruption may delay production, increase costs, and impair our ability to fulfill customer orders.

Rapid Technological Obsolescence:

- The PV industry is subject to rapid technological evolution, such as the transition from P-type PERC to N-type technologies including TOPCon and HJT, and advancements in cell conversion efficiency. Failure to timely adopt emerging technologies, invest in research and development ("R&D"), or successfully commercialize new products may render our existing products and facilities obsolete, and result in loss of competitive advantage.

Directors' Report

R&D and Investment Uncertainty:

- Developing and scaling new technologies requires substantial capital expenditure and R&D resources. There is no guarantee that our R&D efforts will result in commercially viable products, achieve expected cost reductions, or meet market demand.

High Capital Intensity and Liquidity Risk:

- Our business requires substantial upfront investment in manufacturing facilities, production lines, and R&D. High fixed costs and capital expenditure may increase our financial leverage and strain our liquidity. Any tightening of credit markets or difficulty in accessing financing may adversely affect our operations and expansion plans.

EHS Regulations and Penalties:

- Our operations are subject to stringent EHS laws and regulations regarding emissions, waste disposal, energy consumption and workplace safety. Non-compliance may result in fines, suspension of production, remedial orders, or reputational damage, which could disrupt our operations and increase costs.

The Group may not be able to complete or deliver its development projects on time and face substantial development risks before it realises any benefits from them

Property development projects require substantial capital expenditures prior to and during the construction period. It may take longer than a year from the commencement of construction before a property development project can generate cash flow through pre-sales, sales or leases. The progress and costs of a property development project can be materially and adversely affected by many factors, including, without limitation to:

- i) Delays in obtaining necessary licenses, permits or approvals from government agencies or authorities;
- ii) Relocation of existing residents or demolition of existing structures;
- iii) Increase in costs of materials, equipment, contractors and skilled labour;
- iv) Availability and cost of financing;
- v) Failure of contractors or suppliers to provide products and services as anticipated, due to financial difficulties or other reasons;
- vi) Labour disputes;
- vii) Construction accidents;
- viii) Natural catastrophes;
- ix) Adverse weather conditions; and
- x) Changes in government policies.

The Group cannot assure that it will not experience any significant delays in the completion or delivery of any of its property development projects or that it will not be subject to any liabilities for any such delays. Such disruptions may materially and adversely affect its business, results of operations and financial position.

Directors' Report

The Group's trading of construction materials business are exposed to credit risk of its customers

The Group generally does not grant any credit period for enterprises which are subject to litigation in respect of construction material agreements disputes, administrative penalty and outstanding tax arrears. Depending on factors including but not limited to their scale of operation, prospect and size of future sales, trading and payment history and the Group's business relationship with them, it generally grants its customers a credit period of 7 days to 270 days.

The Group cannot assure that any of its customers which have been granted credit period can fulfil their obligations under the construction material agreements entered into with them. Any default by the Group's customers on their obligations under such agreements with them may have an adverse effect on the Group's business, financial position and results of operations.

The Group may be affected by overcapacity in the PV new energy sector

Rapid expansion and supply-demand imbalance in the PRC resulted in a surge in the PRC's PV manufacturing capacity, with production of polysilicon, wafers, cells, and modules exceeding 1,000 GW by 2023, while global demand is projected to reach only 400–500 GW annually. This mismatch risks severe oversupply, leading to price collapses and reduced profitability. Intense competition among manufacturers, particularly in low-margin segments like modules, has triggered price wars. Module prices fell by 50% between 2022 and 2023, squeezing margins and forcing smaller players to exit the market.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years/period is set out on page 128 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Year are set out in Note 14 to the Financial Statements.

INTANGIBLE ASSETS

Details of the movements in the intangible assets of the Group during the Reporting Year are set out in Note 17 to the Financial Statements.

SHARE CAPITAL

Details of movements during the Reporting Year in the share capital of the Company are set out in Note 26 to the Financial Statements.

DEBENTURES

The Company did not issue any debenture during the Reporting Year.

RESERVES

Details of movements in the reserves of the Company during the Reporting Year are set out in Note 39(b) to the Financial Statements.

As at 31 December 2025, the Company had reserves amounting to approximately HK\$554.9 million available for distribution as calculated in accordance with statutory provisions applicable in the Cayman Islands (Previous Reporting Year: approximately HK\$571.5 million).

Directors' Report

DIRECTORS

The Directors who held office during the Reporting Year and up to the date of this annual report are:

Executive Directors

Mr. Yu Zhuyun (*Chairman and Chief Executive Officer*)

Mr. Li Menglin

Non-executive Directors

Mr. Qiao Xiaoge

Ms. Zhu Yujuan

Independent non-executive Directors

Mr. Wang Wenxing (*Lead independent non-executive Director*) (Effective from 14 July 2025)

Dr. Li David Xianglin

Dr. Zhou Chunsheng

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

Save as disclosed in the section headed "Biographies of Directors and Senior Management" and the changes in the Directors' emoluments as disclosed in Note 9 to the Financial Statements, there are no other changes in Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2025 Interim Report.

DIRECTORS' SERVICE CONTRACT

Each of the Directors has entered into an appointment contract with the Company for a term of three years, subject to retirement by rotation at the AGM, and each of them shall be eligible for re-election in accordance with the second amended and restated articles of association of the Company (the "**Restated Articles**"). Mr. Qiao Xiaoge, Mr. Wang Wenxing and Dr. Zhou Chunsheng shall retire from office by rotation and, being eligible, shall offer themselves for re-election at the AGM.

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

CONFIRMATION OF INDEPENDENCE

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to the Listing Rules. The Company considers the independent non-executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts, other than the appointment contracts and employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Year.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or have been, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Listing Rules, notified to the Company and the Stock Exchange were as follows:

(i) Long/Short positions in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held/ interested in	Approximate percentage of interest in the Company
Mr. Yu Zhuyun	Interest in a controlled corporation	2,890,378,320 (L) 126,000,000 (S) <i>Notes 1, 2 and 3</i>	68.43% 2.98%
Ms. Zhu Yujuan	Beneficial owner	480,000	0.01%
Mr. Li Menglin	Beneficial owner	320,000	0.01%

Notes:

- "L" denotes long position and "S" denotes short position.
- Mr. Yu Zhuyun holds the entire issued share capital in Central Culture Resource Group Limited ("Central Culture") and Central Culture directly holds approximately 68.43% of the total number of issued Shares. Therefore, Mr. Yu Zhuyun is taken to be interested in the number of Shares held by Central Culture pursuant to Part XV of the SFO.
- On 19 November 2025, Central Culture entered into an equity collar financing transaction with Citigroup Global Markets Limited ("Citi") in respect of which Central Culture entered into certain call and put options referencing shares of the listed corporation and has delivered the relevant number of shares to Citi under a Credit Support Annex which will be returned by Citi upon termination of the transaction unless otherwise agreed. Please refer to Forms 2 of Central Culture and Forms 3A of Mr. Yu Zhuyun both filed on 19 November 2025 and 10 December 2025, respectively, for details.

(ii) Long positions in the ordinary shares of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares held/ interested	Percentage of issued share capital
Mr. Yu Zhuyun	Central Culture	Beneficial owner	50,000	100%

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code and which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO.

Directors' Report

Substantial Shareholders' and other persons' interests and short positions in Shares and underlying Shares

As at 31 December 2025, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to the section 336 of the SFO:

Long positions in the Shares

Name of Shareholder	Capacity/Nature of interest	Number of Shares held/ interested in	Approximate percentage of interest in the Company
Central Culture	Beneficial owner	2,890,378,320 (L) 126,000,000 (S) (Notes 1 and 2)	68.43% 2.98%

Notes:

1. "L" denotes long position and "S" denotes short position.
2. On 19 November 2025, Central Culture entered into an equity collar financing transaction with Citigroup Global Markets Limited ("Citi") in respect of which Central Culture entered into certain call and put options referencing shares of the listed corporation and has delivered the relevant number of shares to Citi under a Credit Support Annex which will be returned by Citi upon termination of the transaction unless otherwise agreed. Please refer to Forms 2 of Central Culture filed on 19 November 2025 and 10 December 2025, respectively, for details.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any person or corporation (other than the Directors and the chief executives) who had any interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or pursuant to section 336 of the SFO, which were recorded in the register required to be kept by the Company.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executive's Interests in Securities" above and the paragraph headed "Share Option Scheme" below, at no time during the Reporting Year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holdings company, or and any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights by means of the acquisition of Shares in or debentures of the Company of any other body corporate.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraphs headed "Connected Transactions and Continuing Connected Transactions" below and in Note 35 to the Financial Statements, there was no transaction, arrangement or contract of significance, to which the Company or any of its subsidiaries, its parent company, or its parent company's subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, whether directly and indirectly, subsisting as at 31 December 2025 or any time during the Reporting Year, nor was there any other transaction, arrangement or contract of significance in relation to the Group's business between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries.

Directors' Report

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Restated Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has maintained appropriate Directors' and officers' liability insurance in respect of legal actions against them arising out of corporate activities and such permitted indemnity provision for the benefit of the Directors are currently in force.

MAJOR SUPPLIERS AND CUSTOMERS

For the Reporting Year, the aggregate purchase attributable to the Group's largest supplier and the five largest suppliers accounted for approximately 12.6% and 26.3%, respectively, of the Group's total purchases for the Reporting Year (Previous Reporting Year: approximately 9.1% and 23.5%, respectively). For the Reporting Year, revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 13.5% and 29.8% respectively, of the Group's total revenue for the Reporting Year (Previous Reporting Year: approximately 20.4% and 41.1%, respectively).

To the best of the Directors' knowledge, none of the Directors, their close associates or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the number of issued share capital of the Company) had an interest in the Group's five largest suppliers or customers.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

Employees

The Group recognises employees as its valuable assets. The Group provides competitive remuneration packages to attract, motivate and retain appropriate and suitable personnel. The Group has also adopted an annual review system to assess the performance of its staff, which forms the basis of the Group's decisions with respect to salary increment and promotions. The Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

Customers

The Group has maintained long-standing business relationship with the majority of its five largest customers. The Group endeavors to accommodate its customers' demands to the extent its resources allow in order to capture more opportunities for larger scale projects in the future.

Suppliers and subcontractors

The Group has an approved list of suppliers and selects suppliers from the list based on the quality of products or services, timeliness of delivery, experience of and length of partnership with suppliers, competitiveness of pricing and reputation of suppliers.

Subject to the Group's capacity and resource level and depending on the types of construction works as well as cost effectiveness and complexity of the projects, the Group may subcontract certain works to other subcontractors. The Group maintains an internal list of approved subcontractors and selects them based on their experience, quality of works, timeliness of completion for past projects, reputation in the industry, past performances, pricing and the Group's relationship with them.

Directors' Report

ENVIRONMENTAL POLICIES

The Group is dedicated to promote sustainable development in environment and has established policies that cover aspects including reduction of waste and energy consumption. As an enterprise committed to advancing green and low-carbon development, the Group consistently prioritize innovation as its driving force and sustainable development as its goal, continuously exploring the application and promotion of new energy technologies. It also periodically monitors performance related to environmental policies.

The Group aligns with the concept of sustainable development, establishes Environmental, Social and Governance (“**ESG**”) strategic goals, actively responds to the demands and concerns of stakeholders, and continuously improves our ESG governance framework and operational mechanisms to enhance ESG management capabilities. Centered on the ESG strategic goals of Responsible Governance, Green Operations, and People-orientation, the Group not only achieves its own sustainable development but also actively supports the national dual-carbon development strategy. By integrating key ESG topics into our management practices, the Group promotes green development, drives low-carbon operations, and contributes to global sustainable development.

The Group’s operations at work sites are subject to certain environmental requirements pursuant to the laws of Hong Kong. The laws and regulations which have a significant impact on the Group include, among others, Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), and Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Chapter 354N of the Laws of Hong Kong).

In order to comply with the applicable environmental protection laws, the Group has implemented an environmental management system which was certified to be in compliance with the standard required under ISO 14001 since November 2010. Apart from complying with the environmental protection policies formulated by its customers, the Group has established an environmental management policy to ensure proper management of environmental matters and compliance with environmental laws and regulations by both its employees and workers of its subcontractors on, among others, air pollution control, noise pollution control and waste disposal. During the Reporting Year, the Group did not incur any material costs on environmental compliance.

Pursuant to Appendix C2 to the Listing Rules, the Company is required to prepare an ESG Report, which explains the management approaches, strategies, policies, measures taken and results of its activities on environmental and social areas and aspects, and evaluate their impact on the sustainable development of the environment and society.

A separate ESG Report for the year ended 31 December 2025 will be published in electronic form only on the Stock Exchange’s website and the Company’s website at the same time as the publication of this annual report. If you wish to receive the printed version of the ESG Report, you may send your request in writing to the Company’s registered office in Hong Kong.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group and its business activities are subject to various laws and regulations, including Cayman Islands Companies Act (as revised), Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Listing Rules and the applicable law and regulations in the PRC. The Group recognises the importance of regulatory compliance and has measures in place to ensure that the Group’s operation complies with relevant laws and regulations which have a significant impact on the Group.

Directors' Report

During the Reporting Year and up to the date of this annual report, to the best of knowledge, information and belief of the Directors, there was no material breach of or non-compliance with the applicable laws and regulations in the Cayman Islands, Hong Kong and the PRC by the Group that had a significant impact on the businesses and operations of the Group.

EVENTS AFTER THE REPORTING YEAR

There had been no significant event since the end of the Reporting Year and up to the date of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Reporting Year and up to the date of this annual report.

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

No purchase, sale or redemption of the Company's listed securities (including resale or transfer of treasury shares) was made by the Company or any of its subsidiaries during the Reporting Year. As at 31 December 2025 and the date of this annual report, the Company did not hold any treasury shares.

INTERESTS IN COMPETING BUSINESS

None of the controlling Shareholders, the Directors or their respective close associates is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Reporting Year and up to the date of this annual report.

RELATED PARTY TRANSACTIONS

During the Reporting Year, the Group had entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards, but these transactions were not regarded as connected transactions or continuing connected transactions under the Listing Rules or were exempt from reporting, announcement and shareholders' approval requirements under the Listing Rules. The Company confirms that it has complied with the requirements under Chapter 14A of the Listing Rules. Details of the related party transactions undertaken by the Group, which did not constitute connected transactions under Chapter 14A of the Listing Rules, are set out in Note 35 to the Financial Statements.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Year, the Group did not enter into any non-exempt one-off connected transactions or continuing connected transactions which should be disclosed pursuant to the requirements under Chapter 14A of the Listing Rules.

Directors' Report

SHARE OPTION SCHEME

Pursuant to the written resolutions of the then sole Shareholder on 13 March 2018, the Company adopted a share option scheme (the **"Share Option Scheme"**) with effect from 13 March 2018. The terms of the Share Option Scheme were summarised in Appendix IV to the prospectus of the Company dated 19 March 2018. Unless otherwise terminated or amended, the Share Option Scheme will remain in force for a period of 10 years commencing on the date of adoption. As at the date of this annual report, the remaining life of the Share Option Scheme is approximately two years. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group, and to promote the business of the Group. Participants of the Share Option Scheme comprise employee (full-time or part-time), Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group who, in the absolute discretion of the Board, has contributed or may contribute to the development and growth of the Group. An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of offer for the grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or other share option schemes of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by the Shareholders in a general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 422,400,000 Shares, representing 10% of the issued shares of the Company. No share option has been granted, exercised, cancelled or lapsed since the effective date of the Share Option Scheme and up to the date of this annual report. The number of options available for grant under the Share Option Scheme as at 1 January 2025 and 31 December 2025 was 422,400,000.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report relating to the Share Option Scheme, no equity-linked agreements that (i) will or may result in the Company issuing Shares; or (ii) will require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Reporting Year or subsisted at the end of the Reporting Year.

Directors' Report

DONATION

Donations made by the Group during the Reporting Year amounted to approximately HK\$3,968,000 (Previous Reporting Year: HK\$1,090,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Restated Articles and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

RELIEF FROM TAXATION

The Directors are not aware of any relief from taxation available to which the Shareholders are entitled by reason of their holding of the Shares.

REMUNERATIONS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five highest paid individuals are set out in Note 9 to the Financial Statements.

The emoluments of the Directors and senior management of the Group are determined by the remuneration committee of the Company (the "**Remuneration Committee**") with reference to their relevant qualifications, experience, competence and the prevailing market conditions. There was no arrangement under which the Directors waived or agreed to waive any emoluments during the Reporting Year.

EMOLUMENT POLICY

The emolument policy of the Group is set up by the Remuneration Committee (composed of a non-executive Director and two independent non-executive Directors) on the basis of the qualifications and contributions of individuals to the Group. The Company has adopted the Share Option Scheme as an incentive to eligible employees, details of which are set out in the paragraph headed "Share Option Scheme" above.

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Remuneration Committee with reference to the Directors' duties, responsibilities and performance, the results of the Group and comparable market practices.

CORPORATE GOVERNANCE

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

DISCLOSURES UNDER RULES 13.20 TO 13.22 OF THE LISTING RULES

As at 31 December 2025 and up to the date of this annual report, the Group had no circumstances which would give rise to disclosure obligations under Rules 13.20 to 13.22 of the Listing Rules.

Directors' Report

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) (composed of a non-executive Director and two independent non-executive Directors) had reviewed, together with the management and external auditor, the accounting principles and policies adopted by the Group and the audited Financial Statements for the Reporting Year.

AUDITORS

HLB Hodgson Impey Cheng Limited acted as the auditor of the Group for the Reporting Year. The Financial Statements have been audited by HLB Hodgson Impey Cheng Limited, which shall retire in the forthcoming AGM and, being eligible, will offer itself for re-appointment. A resolution for its re-appointment as the auditor for the coming year will be proposed at the forthcoming AGM. There has been no change in auditors since the listing date of the Company.

By Order of the Board

Yu Zhuyun

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 March 2026

Corporate Governance Report

The Board is committed to high standard of corporate governance with a view to safeguarding the interests of the Shareholders and achieving accountability as the Group recognises the importance of maximising Shareholders' value through effective corporate governance procedures.

CORPORATE GOVERNANCE CODE

The Company had applied the principles and all the applicable code provisions (the "**Code Provision(s)**") as set out under the Corporate Governance (the "**CG**") Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules during the Reporting Year. The Directors will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

During the Reporting Year, the Company had complied with all the applicable Code Provisions of the CG Code, except for Code Provision C.2.1 of the CG Code as explained below:

Mr. Yu Zhuyun was appointed as the chief executive officer of the Company (the "**CEO**") with effect from 30 April 2020, and is currently serving as both the chairman of the Board (the "**Chairman**") and the CEO. Such practice deviates from Code Provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group's business strategies and enhance its operational efficiency. The Board is currently comprised of two executive Directors, two non-executive Directors and three independent non-executive Directors, which is appropriately structured to ensure that there is a balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. The Board will continuously assess whether any change to this arrangement is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for Directors' securities transactions. In response to specific enquiries by the Company, all Directors have confirmed that they have fully complied with the requirements set out in the Model Code during the Reporting Year.

The senior management and staff of the Company who are likely to be in possession of unpublished inside information of the Company, have been individually notified and advised about the Model Code by the Company. No incident of non-compliance of the Model Code by the relevant employees of the Company was noted by the Company during the Reporting Year.

Corporate Governance Report

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the appropriate corporate governance practices applicable to the Company's circumstances and ensuring processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board in performing its corporate governance functions under the CG Code include:

1. developing and reviewing the Company's policies and practices on corporate governance and making recommendations;
2. reviewing and monitoring the training and continuous professional development of the Directors and senior management of the Company;
3. reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
4. developing, reviewing and monitoring the code of conduct and compliance manual applicable to the Directors and the Company's employees; and
5. reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board is responsible for performing the corporate governance functions set out in Code Provision A.2.1 of the CG Code. As at the date of this annual report, the Board had reviewed and monitored (a) the Company's corporate governance policies and practices; (b) training and continuous professional development of the Directors and senior management of the Company; (c) the Company's policies and practices on compliance with legal and regulatory requirements; (d) the Company's code of conduct and compliance manuals applicable to the Directors and the Company's employees; and (e) the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Directors' Training and Continuing Professional Development

Each newly appointed director is provided with necessary induction and information to ensure that he or she has a proper understanding of the Company's operations and businesses as well as his or her responsibilities under the relevant statutes, laws, rules and regulations.

Directors' training is an ongoing process. During the Reporting Year, directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each director to discharge their duties. In addition, all Directors have been updated with the latest developments regarding the Listing Rules which include the requirements of CG, ESG and the risk management and internal controls and other applicable regulatory requirements to ensure their compliance with these requirements and enhance their awareness of good corporate governance. All Directors and employees of the Group are encouraged to attend relevant training courses to keep abreast of the latest market and regulatory changes and developments. The Board may seek independent professional advice in appropriate circumstances, at the Company's expenses, in order to assist and ensure that the Directors can duly discharge their duties.

In compliance with Code Provision C.1.4 of the CG Code, the Company has allocated and provided funding to all Directors to participate in continuous professional development organised in the form of seminars and in-house training and/or relevant reading materials on the latest development of applicable laws, the Listing Rules and corporate governance practices.

Corporate Governance Report

All Directors confirmed that they have complied with the Code Provision C.1.4 of the CG Code. During the Reporting Year, each of the Directors had participated in continuous professional development by attending seminars, courses or conferences and reading relevant materials to develop and refresh their knowledge and skills.

According to the records provided by the Directors, a summary of the trainings received by the Directors for the year ended 31 December 2025 is as follows:

Directors	Types of Training (Note)
Executive Directors	
Mr. Yu Zhuyun (<i>Chairman and chief executive officer</i>)	2(A)
Mr. Li Menglin	2(C)
Non-executive Directors	
Mr. Qiao Xiaoge	2(C)
Ms. Zhu Yujuan	2(C)
Independent Non-executive Directors	
Mr. Wang Wenxing (<i>Lead independent non-executive Director</i>)	2(C)
Dr. Li David Xianglin	2(C)
Dr. Zhou Chunsheng	1(B)

Note :

- A. Attending briefing sessions and/or seminars and/or forums
- B. Making speeches at briefing sessions and/or seminars and/or forums
- C. Reading seminar materials or magazines and updates relating to economy, general business, directors' responsibilities and the Listing Rules or the latest development of other applicable regulatory requirements

THE BOARD

Role and Function

The Board is responsible for the overall leadership of the Group. It oversees the Group's strategic decisions and monitors its business and performance. The Board has delegated the authority and responsibility for day-to-day management and operations of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the nomination committee (the "**Nomination Committee**") and the Remuneration Committee (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of references. Further details of the Board Committees are set out in the paragraph headed "Board Committees" below.

Composition

As at the date of this annual report, the Board was chaired by Mr. Yu Zhuyun and comprised seven members, including two executive Directors, two non-executive Directors and three independent non-executive Directors. One of the three independent non-executive Directors possesses appropriate professional qualifications or accounting or related and financial management expertise, which complies with the requirement of the Listing Rules. The list of Directors is set out in the Directors' Report in this annual report.

There is a balance of skills and experience within the Board, which is appropriate for the requirements of the business of the Company. Biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" in this annual report. The Directors and senior management of the Company have no financial, business, family or other material or relevant relationship with each other.

Corporate Governance Report

Board Diversity Policy

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”), with view to achieving a sustainable and balanced development of the Group. In designing the Board’s composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, with due regard to the benefits of diversity on the Board. The Board Diversity Policy is reviewed annually by the Nomination Committee to ensure effectiveness, and revisions will be made with the approval from the Board, where appropriate.

As at 31 December 2025, there is one female Director on the Board. Given the current composition and gender diversity of the Board, the Board and the Nomination Committee are of the view that it is not necessary to set numerical targets and timeline for achieving gender diversity of the Board for the time being. In the future, the Board will continue to pay due regard to the importance of diversity in identifying potential candidates for directorships and continue to ensure that gender is one of the factors to be considered in appointing Directors by the Nomination Committee. Similar considerations will also be put in place to assess the candidacy of the senior management of the Company from time to time.

The Board also recognises the importance of diversity at the workforce level. As at 31 December 2025, the gender ratio of the workforce of the Group (including the senior management of the Company) was approximately 6:2 male to female.

Independent Non-executive Directors

During the Reporting Year, the Company was in compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company had three independent non-executive Directors representing more than one-third of the Board, and Mr. Wang Wenxing is the independent non-executive Director with appropriate professional qualifications and accounting or related financial management expertise. No less than one third of the Directors are subject to retirement by rotation at each AGM in accordance with the Restated Articles. None of the independent non-executive Directors has served on the Board for more than nine years.

The independent non-executive Directors are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the independent non-executive Directors brings his own relevant expertise to the Board and its deliberations. None of the independent non-executive Directors has any business or financial interests in the Group nor any relationship with other Directors.

The Company has received a written annual confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Board Committees.

Corporate Governance Report

Appointment, Re-election and Removal of Directors

The Company has established the Nomination Committee on 13 March 2018. The Nomination Committee has from time to time identified individuals suitably qualified to become Board members and made recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experiences are appropriate for the businesses of the Group.

Each of the executive, non-executive and independent non-executive Directors has entered into a contract for appointment with the Company for a term of three years and is subject to the termination provisions therein and the provisions on retirement by rotation of Directors as set out in the Restated Articles.

According to the Restated Articles, any Director so appointed by the Board shall hold office, in the case of filling a casual vacancy, only until the next AGM or, in the case of an addition to their number, until the next AGM who shall then be eligible for re-election at such general meeting. Every Director is appointed for a specific term and is subject to retirement by rotation at least once every three years.

In accordance with Article 108(a) of the Restated Articles, at each AGM, at least one third of the Directors for the time being, or, if the number is not three or a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Nomination Policy

The Board has adopted a nomination policy (the “**Nomination Policy**”) on 31 December 2018 which sets out the criteria and process in the nomination and appointment of Directors, and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company as well as the Board’s continuity and appropriate leadership. The Nomination Committee shall identify candidates who are qualified or suitable to become members of the Board and make recommendations to the Board on the selection of candidates nominated for directorships. The selection of candidates will be based on a range of selection criteria as set out in the Nomination Policy, including but not limited to, character and integrity, qualification, potential contribution the candidate can bring to the Board in terms of qualifications, skill, experience and gender diversity, the candidate’s willingness and ability to devote adequate time to discharge his/her duties as a member of the Board.

For the appointment of Directors, the Nomination Committee will first identify individual(s) suitably qualified to become Board members and, where appropriate, assess their independence. Then, the Nomination Committee will make recommendations to the Board for the Board to consider, having regard to the Board Diversity Policy and the Nomination Policy. The Board will confirm the appointment of the suitable candidate(s) or recommend the candidate(s) to stand for election at a general meeting of the Company. The candidate(s) who is/are appointed by the Board to fill a casual vacancy or as an addition to the existing Board will be subject to re-election by Shareholders at the next AGM after initial appointment in accordance with the Restated Articles.

For the re-appointment of Directors, the Nomination Committee will also consider the retiring Directors based on the Board Diversity Policy and the Nomination Policy and, where appropriate, assess their independence before the Nomination Committee makes a recommendation to the Board. After the Board considers each retiring director, the Board will recommend the suitable retiring director(s) to stand for re-election at the AGM in accordance with the Restated Articles. The Shareholders will approve the re-election of Directors at the AGM.

The Nomination Committee shall review the structure, size, composition and diversity of the Board at least annually to ensure that it has a balance of expertise, skills, experience and diversity of perspectives appropriate for the business of the Company.

Corporate Governance Report

Board Meetings

Pursuant to Code Provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times per year. The Board meets regularly to formulate the Group's overall strategies as well as discuss the Group's operation and financial performance. Additional meetings would be arranged if and when required. Directors may participate either in person or through electronic means of communication. During the Reporting Year, there were four Board meetings and one general meetings. The attendance record of each member of the Board of the Board meetings and the general meeting is set out below:

Name of Director	Meetings attended/ number of general meetings	Meetings attended/ number of Board meetings
Executive Directors		
Mr. Yu Zhuyun (<i>Chairman and Chief Executive Officer</i>)	1/1	4/4
Mr. Li Menglin	1/1	4/4
Non-executive Directors		
Mr. Qiao Xiaoge	1/1	4/4
Ms. Zhu Yujuan	1/1	4/4
Independent non-executive Directors		
Mr. Wang Wenxing (<i>Lead independent non-executive Director</i>)	1/1	4/4
Dr. Li David Xianglin	1/1	4/4
Dr. Zhou Chunsheng	1/1	4/4

Access to Information

The Directors may, at the Company's expenses, seek independent professional advice in appropriate circumstances. The Company will, upon request, provide separate independent professional advice to Directors to assist the relevant Directors to discharge their duties to the Company.

The Board is supplied with relevant information by the senior management of the Company pertaining to matters to be brought before the Board for decision as well as reports relating to the Group's operational and financial performance before each Board meeting. Where any of the Directors requires more information than is volunteered by the senior management of the Company, each Director has the right to separately and independently access the Company's senior management for further enquiries, if necessary.

Corporate Governance Report

BOARD COMMITTEES

In accordance with the Restated Articles and the Listing Rules, the Board has established Board Committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing particular aspects of the Group's affairs. All Board Committees are established with defined terms of reference relating to their respective authorities and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of the Board Committees are posted on the websites of the Company and the Stock Exchange, and are available to Shareholders upon request.

Audit Committee

The Company established the Audit Committee on 13 March 2018 in accordance with Rule 3.21 of the Listing Rules with the written terms of reference (which have been revised and adopted by the Board on 31 December 2018) in compliance with the CG Code.

The Audit Committee consists of three members, namely Mr. Wang Wenxing (redesignated as the lead independent non-executive Director with effect from 14 July 2025), Mr. Qiao Xiaoge and Dr. Li David Xianglin. Mr. Wang Wenxing currently serves as the chairperson of the Audit Committee.

The primary responsibilities of the Audit Committee include: (i) making recommendations to the Board on the appointment, reappointment and removal of external auditors; (ii) reviewing and monitoring the external auditors' independence and objectivity; (iii) reviewing the effectiveness of the Company's audit process in compliance with applicable standards, internal control and risk management systems; (iv) developing and implementing policy on engaging external auditors to supply non-audit services, and reviewing and monitoring the extent of the non-audit works undertaken by external auditors; and (v) monitoring the integrity of the financial statements, annual reports and accounts and half-year reports and reviewing significant financial reporting judgments contained in them.

The Audit Committee has explicit authority to investigate any activity within its terms of reference and the authority to obtain outside legal or other independent professional advice, if necessary. It is given access to and assistance from the employees and reasonable resources to discharge its duties properly.

During the Reporting Year, the Audit Committee held three meetings to review the annual and interim financial results of the Group for submission to the Board for approval, review the internal control and risk management systems of the Group, oversee the audit process and make recommendations on the re-appointment of the external auditors. During the Reporting Year and up to the date of this annual report, there had been no disagreement between the Board and the Audit Committee.

The attendance record of each member of the Audit Committee during the Reporting Year is set out below:

Audit Committee	Meeting(s) attended/ Eligible to attend
Non-executive Director	
Mr. Qiao Xiaoge	3/3
Independent non-executive Director	
Mr. Wang Wenxing (<i>Chairperson and Lead independent non-executive Director</i>)	3/3
Dr. Li David Xianglin	3/3

Corporate Governance Report

Nomination Committee

The Company established the Nomination Committee on 13 March 2018 in accordance with Rule 3.27A of the Listing Rules with written terms of reference (which have been revised and adopted by the Board on 14 July 2025) in compliance with the CG Code. The Nomination Committee consists of five members, namely Mr. Yu Zhuyun, Mr. Wang Wenxing, Dr. Zhou Chunsheng, Ms. Zhu Yujuan and Dr. Li David Xianglin. Mr. Yu Zhuyun currently serves as the chairperson of the Nomination Committee.

The primary responsibilities of the Nomination Committee include: (i) reviewing the structure, size, composition and diversity of the Board in accordance with the Board Diversity Policy at least annually and assisting in maintaining skill matrix; (ii) identifying individuals suitably qualified to become Board members; (iii) assessing the independence of independent non-executive Directors; (iv) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors; (v) making recommendations to the Board regarding candidates to fill vacancies on the Board and/or senior management of the Company; (vi) supporting the Company's regular evaluation of the Board's performance; and (vii) reviewing and assessing each Director's time commitment and contribution to the Board their ability to discharge his/her responsibilities.

The Nomination Committee held one meeting during the Reporting Year to review the structure, size and composition of the Board in accordance with the Board Diversity Policy, assess the independence of the independent non-executive Directors and make recommendations to the Board on the proposal of re-appointment of Directors at the forthcoming AGM.

The attendance record of each member of the Nomination Committee during the Reporting Year is set out below:

Nomination Committee	Meeting(s) attended/ Eligible to attend
Executive Director	
Mr. Yu Zhuyun (<i>Chairperson and Chief Executive Officer</i>)	1/1
Non-executive Director	
Ms. Zhu Yujuan	1/1
Independent non-executive Directors	
Dr. Zhou Chunsheng	1/1
Mr. Wang Wenxing (<i>Lead independent non-executive Director</i>)	1/1
Dr. Li David Xianglin	1/1

In evaluating and selecting any candidate for directorship, the Nomination Committee would consider the following criteria, including but not limited to: his/her character and integrity, qualifications (cultural and educational background, professional experience, skills, knowledge and diversity aspects under the Board Diversity Policy), potential contributions the candidate can bring to the Board in terms of qualifications, skills, diversity and independence, and his/her willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s). Upon evaluating a/the candidate(s) for directorship, the Nomination Committee would recommend to the Board the appropriate candidate(s) by order of preference (if applicable) based on the needs of the Company for the Board's consideration.

Remuneration Committee

The Company established the Remuneration Committee on 13 March 2018 in accordance with Rule 3.25 of the Listing Rules with written terms of reference (which has been revised and adopted by the Board on 14 December 2022) in compliance with the CG Code. The Remuneration Committee consists of three members, namely, Dr. Li David Xianglin, Dr. Zhou Chunsheng and Ms. Zhu Yujuan. Dr. Li David Xianglin currently serves as the chairperson of the Remuneration Committee.

Corporate Governance Report

The primary duties of the Remuneration Committee include: (i) reviewing and making recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; (ii) making recommendation to the Board on the remuneration of independent non-executive Directors; (iii) reviewing and making recommendations to the Board on other remuneration-related matters, including benefits-in-kinds, pension rights and the compensation payable to the Directors and the Group's senior management; (iv) reviewing performance-based remuneration and establishing a formal and transparent procedure for developing policies in relation to remuneration; (v) considering the salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries; and (vi) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The remuneration of the Directors and the Group's senior management is determined with reference to the responsibilities, the workload, the time devoted and the performance of the Directors and the Group's senior management. The Remuneration Committee also ensures that no individual will be involved in determining his/her own remuneration.

The remuneration of the Group's senior management during the Reporting Year is listed below by band:

Band of remuneration	No. of person(s)
Nil to HK\$1,000,000	8

Further details of the remuneration of the Directors and the five highest paid individuals is set out in Note 9 to the Financial Statements.

During the Reporting Year, the Remuneration Committee held one meeting to, among others, review the policy for the remuneration of executive Directors, assess the performance of executive Directors, approve the terms of executive Directors' service contracts, review the remuneration packages of individual Directors and senior management of the Company and made recommendations to the Board on the above matters.

The attendance record of each member of the Remuneration Committee during the Reporting Year is set out below:

Remuneration Committee	Meeting(s) attended/ Eligible to attend
Non-executive Director	
Ms. Zhu Yujuan	1/1
Independent non-executive Director	
Dr. Li David Xianglin (<i>Chairperson</i>)	1/1
Dr. Zhou Chunsheng	1/1

AUDITORS' REMUNERATION

The Audit Committee is responsible for considering the appointment and re-election of the Company's external auditor and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect to the Company.

For the Reporting Year, the remuneration paid/payable to the external auditors, HLB Hodgson Impey Cheng Limited, in respect of its audit services and non-audit services was approximately HK\$1,580,000 and HK\$600,000, respectively. The non-audit services related to assisting in reviewing the disclosure of interim financial report during the Reporting Year.

Corporate Governance Report

COMPANY SECRETARY

Mr. Tung Tat Chiu, Michael (“**Mr. Tung**”), was appointed as the Company Secretary on 3 May 2023. During the Reporting Year, Mr. Tung had taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules. The biography of Mr. Tung is set out in the section headed “Biographies of Directors and Senior Management” in this annual report.

Mr. Tung is an external service provider engaged by the Company as the Company Secretary and Ms. Hu Longzhi, the chief financial officer of the Company, will be the key contact person with whom Mr. Tung can contact.

DIRECTORS’ AND AUDITORS’ RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge and understand their responsibility in relation to the preparation of the Financial Statements and seek to ensure that the Financial Statements are prepared in a manner which give a true and fair view of the state of affairs of the Group as a going concern and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure requirements under the Listing Rules. In presenting the Financial Statements, announcements and other financial disclosures required under the Listing Rules, the Directors aim to present a balanced, clear and understandable assessment of the position and prospects of the Group. The Directors are of the view that the Financial Statements were prepared on this basis. The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern.

The statement by the auditors of the Group regarding their reporting responsibilities on the Financial Statements is set out in the Independent Auditors’ Report in this annual report.

DIVIDEND POLICY

The Company has established a dividend policy (the “**Dividend Policy**”) on 31 December 2018 with an aim to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

- (a) the Company’s operating results, actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the level of the Group’s debt-to-equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payment of dividends that may be imposed by the Group’s lenders;
- (e) the Group’s expected working capital requirements, capital expenditure requirements and future expansion plans;
- (f) the Group’s liquidity position;
- (g) general economic conditions, business cycle of the Group’s business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factors that the Board may deem appropriate and relevant.

Corporate Governance Report

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rules and regulations and the Restated Articles. The declaration and payment of future dividend under the Dividend Policy are subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders as a whole. The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Group's risk management and internal control systems, and for reviewing its effectiveness. The Board oversees the Group's overall risk management and internal control systems on an ongoing basis. At the same time, the Group endeavors to identify risks (including ESG risks), control impact of the identified risks and facilitate the implementation of coordinated mitigating measures. The risk management and internal control systems are compatible with the principles in the Committee of Sponsoring Organisations of Treadway Commission (COSO) — Integrated Framework 2013, which are designed to manage rather than eliminate the risk of failures in order to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has established a risk management policy which sets out the process of identification, evaluation and management of the principal risks affecting the business. Each division is responsible for identifying and assessing principal risks within itself and establishing mitigation plans to manage the risks identified. The senior management of the Company is responsible for overseeing the Group's risk management and internal control activities, attending meetings with each division to ensure principal risks are properly managed, and new risks are identified and documented. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems.

The Company currently does not have an internal audit function. During the Reporting Year, the Company has engaged an external risk management and internal control review consultant (the "**Consultant**") to conduct a review of the Group's risk management (including ESG risks) and internal control covering the period from 1 January 2025 to 31 December 2025. Such review is conducted annually. The scope of the Consultant's review was previously determined and approved by the Board and covered internal controls in relation to the Group's property development and investment business, property management business, fixed asset management, human resources and payroll management. The Consultant has reported findings and areas for improvement to the Board. The Board is of the view that there has been no material risk management (including ESG risks) and internal control deficiency noted. All recommendations given by the Consultant will be properly followed up by the Group to ensure that they are implemented within a reasonable period of time.

The Board is responsible for the risk management (including ESG risks) and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks (including ESG risks) since the last annual review, and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its review and the review made by the Consultant and Audit Committee, concluded that the risk management (including ESG risks) and internal control systems were effective and adequate. Such systems, however, are 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. It is also considered that the resources, qualifications and experience of the relevant staff were adequate and the training programs and budget provided were sufficient.

Corporate Governance Report

INSIDE INFORMATION POLICY

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligations under Part XIVA of the Securities and Futures Ordinance and the Listing Rules. The Group has adopted a policy on disclosure of insider information, with close regard to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission, to ensure that the insiders are abiding by the confidentiality requirements and are fulfilling the disclosure obligations of the inside information.

INTERNAL AUDIT FUNCTION

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint external independent professionals to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department.

WHISTLEBLOWING POLICY

The Company has put in place a whistleblowing policy (the “**Whistleblowing Policy**”) which applies to all the Directors and employees of the Group and any parties who deal with the Group. The policy is designed to provide the employees and any external parties with confidential whistleblowing channels to report to the Group the actual or suspected illegal activities and misconducts in corporate financial reporting, internal control or other areas.

Whistleblowers are able to contact the Board directly through the contact method provided on the Company’s website. The identity of the whistleblower and all the concerns or irregularities raised will be treated with confidentiality and every effort will be made to ensure that confidentiality is maintained throughout the process.

The Audit Committee, which is responsible for overseeing and monitoring of the Whistleblowing Policy and its mechanism, will make decisions on further actions (if needed).

The Company is also committed to ensuring the protection of the whistleblowers against detrimental or unfair treatment.

ANTI-CORRUPTION

The Company does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. The Company strictly adheres to the relevant regulations and laws, such as the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), Anti-Unfair Competition Law of the PRC, Criminal Law of the PRC, and other laws and regulations related to commercial bribery. The Company has formulated an anti-corruption policy (the “**Anti-Corruption Policy**”) which prohibits all forms of corruption practice by making reference to the relevant laws and regulations. The Anti-Corruption Policy forms an integral part of the Company’s corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Anti-Corruption Policy is reviewed and updated on a regular basis to align with the applicable laws and regulations as well as the industry best practices. All the employees of the Group are informed and expected to act with integrity, impartiality and honesty.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders and potential investors is essential for facilitating investor relations and enhancing their understanding of the Group's business, performance and strategies. The Company has adopted the Shareholders' communication policy with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company (including financial performance, strategic goals and plans, material development, governance and risk profile). The Company also recognises the importance of timely and non-selective disclosure of information, which will enable the Shareholders and potential investors to make informed investment decisions.

To promote effective communication, the Company maintains the website of www.centralenergy.cn, where up-to-date information of the Company's business operations and developments, financial information, corporate governance practices and other information is available for public access. Latest information of the Group, including annual and interim reports, announcements and other corporate communications which will be sent to Shareholders and/or published, are updated on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.centralenergy.cn) in a timely fashion.

For procedures by which enquiries may be put to the Board, please refer to the subsection headed "Procedures by which enquiries may be put to the Board" below.

The Board has reviewed the implementation and effectiveness of the investor relations policy of the Company. Having considered that diverse channels of communication have been put in place, the Board is satisfied that an effective investor relations policy has been properly implemented throughout the Reporting Year.

The forthcoming AGM of the Company will be held on Friday, 26 June 2026. The notice of the AGM, setting out the details of each proposed resolution, voting procedures and other relevant information, will be sent to the Shareholders at least 21 days before the date of the AGM.

SHAREHOLDER'S RIGHTS

Procedures for convening general meetings by Shareholders

The Company's general meeting provides an opportunity for communication between the Shareholders and the Board. In accordance with Article 72 of the Restated Articles, at any general meeting, a resolution put to the vote of the meeting shall be decided by poll save that the chairman of the meeting may, in good faith, allow a resolution be voted by a show of hands. The chairman of the meeting will explain such rights and procedures during the AGM before voting on the resolutions.

Pursuant to Article 64 of the Restated Articles, Shareholders can make a requisition to convene an extraordinary general meeting (the "EGM"). The procedure for the Shareholders to convene an EGM are as follows:

1. any one or more shareholders (the "Requisitionist") holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition; and
2. such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the Requisitionist(s) himself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

Corporate Governance Report

Procedures for putting forward proposals at Shareholders' meetings

Shareholders are requested to follow Article 64 of the Restated Articles for including a resolution at an EGM. The requirements and procedures are set out in the paragraph headed "Procedures for Convening General Meetings by Shareholders" above.

Shareholders are welcomed to suggest proposals relating to the operations, strategies and/or management of the Group at Shareholders' meetings. Proposals shall be sent by written requisition of his/her proposal (the "**Proposal**") together with his/her detailed contact information to the Board or the Company Secretary at the Company's principal place of business in Hong Kong as set out in the section headed "Corporation Information" in this annual report.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- at least 21 days' notice in writing if the Proposal requires approval by way of resolution in any AGM; and
- at least 14 days' notice in writing if the Proposal requires approval by way of resolution in any EGM.

Procedures by which enquiries may be put to the Board

For matters in relation to the Board, Shareholders may send their enquiries and concerns to the Board by addressing them to the Board or the Company Secretary by mail to the Company's principal place of business in Hong Kong set out in the section headed "Corporation Information" in this annual report.

For share registration related matters, such as share transfers and registrations, change of name or address, loss of share certificates or dividend warrants, the registered Shareholder can contact:

Branch Share Registrar and Transfer Office in Hong Kong
Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong
Tel: (852) 2153-1688
Fax: (852) 3020-5058

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

There had been no significant changes in the constitutional documents of the Company during the Reporting Year.

Independent Auditors' Report



31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF CENTRAL NEW ENERGY HOLDING GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Central New Energy Holding Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 47 to 127, 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 ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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 Auditors' Report

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	How our audit addressed the key audit matter
<p><i>Expected credit loss of trade receivables</i></p> <p>Refer to Notes 2.11, 2.14, 3.1, 4 and 23 to the consolidated financial statements</p> <p>The balances of trade receivables as at 31 December 2025 were approximately HK\$1,837,060,000, which were material to the consolidated financial statements. The Group has applied the simplified approach in calculating the expected credit loss for trade receivables.</p>	<p>Our procedures included, but not limited to:</p> <ul style="list-style-type: none">• Discussing with management on the estimation involved in determining the amount of expected credit loss allowance regarding the trade receivables;• Testing the integrity of information used by management for the assessment, including ageing analysis of trade receivables, on a sample basis, by comparing individual items in the analysis with the relevant underlying documents;• Assessing the reasonableness of the basis and judgement of the management in determining credit loss allowance on trade receivables; and• Evaluating the competence, capabilities and objectivity of the valuation expert engaged by the management.

OTHER INFORMATION IN THE ANNUAL REPORT

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

Independent Auditors' Report

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

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

In preparing the consolidated financial statements, the directors 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.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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.

Independent Auditors' Report

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 director on the audit resulting in this independent auditors' report is Mr. Kwok Kin Leung (practising certificate number: P05769).

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Hong Kong, 31 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
Revenue	5	11,016,846	6,032,026
Direct costs		(10,806,353)	(5,904,261)
Gross profit		210,493	127,765
Other income and net gains	5	122,845	182,699
Loss on fair value changes of investment properties		–	(10,044)
Share of profit of an associate	20	80	–
Selling expenses		(20,097)	(19,992)
Administrative and other operating expenses		(164,465)	(172,760)
Finance costs	6	(66,564)	(51,385)
Profit before income tax	7	82,292	56,283
Income tax expense	10	(21,558)	(2,185)
Profit for the year		60,734	54,098
Other comprehensive income/(expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
— Exchange differences arising on translation of foreign operations		85,917	(48,904)
— Share of exchange reserve of an associate		2	–
— Reclassification of cumulative translation reserve upon disposal of foreign operations		(50)	13,850
Other comprehensive income/(expense) for the year, net of tax		85,869	(35,054)
Total comprehensive income for the year		146,603	19,044
Profit/(loss) for the year attributable to:			
Owners of the Company		34,240	106,393
Non-controlling interests		26,494	(52,295)
		60,734	54,098
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		90,832	90,031
Non-controlling interests		55,771	(70,987)
		146,603	19,044
		HK Cents	HK Cents
Earnings per share attributable to owners of the Company			
— Basic and diluted	11	0.81	2.52

Details of dividends are disclosed in Note 13 to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	1,454,728	1,306,181
Right-of-use assets	15	869,281	11,516
Investment in an associate	20	82	–
Intangible asset	17	555	530
Prepayments	23	187,266	117,333
		2,511,912	1,435,560
Current assets			
Financial asset at fair value through profit or loss	19	5,586	3
Derivative financial asset at fair value through profit or loss	22	188	–
Trade and other receivables	23	2,862,545	1,743,307
Inventories	24	179,061	157,145
Tax recoverable		50,221	49,850
Pledged bank deposits	25	816,431	824,863
Cash and bank balances	25	324,216	265,887
		4,238,248	3,041,055
Total assets		6,750,160	4,476,615
EQUITY			
Capital and reserves			
Share capital	26	2,640	2,640
Reserves		1,505,083	1,114,116
Equity attributable to owners of the Company		1,507,723	1,116,756
Non-controlling interests		540,615	422,918
Total equity		2,048,338	1,539,674

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	29	432,287	10,397
Borrowings	33	226,421	311,529
		658,708	321,926
Current liabilities			
Derivative financial liabilities at fair value through profit and loss	22	1,964	–
Contract liabilities	28	444,287	50,605
Trade and other payables	32	1,685,958	872,798
Lease liabilities	29	185,638	1,192
Borrowings	33	1,702,043	1,668,775
Tax payables		23,224	21,645
		4,043,114	2,615,015
Total liabilities		4,701,822	2,936,941
Total equity and liabilities		6,750,160	4,476,615
Net current assets		195,134	426,040
Total assets less current liabilities		2,707,046	1,861,600

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026:

Mr. Yu Zhuyun
Director

Mr. Li Menglin
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Contributed surplus	Other reserve	Translation reserve	Retained earnings	Sub-total		
	HK\$'000 (Note 26)	HK\$'000	HK\$'000 (Note (a))	HK\$'000 (Note (b))	HK\$'000 (Note (c))	HK\$'000 (Note (d))	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024	2,640	88,276	11,010	298,143	309,970	(17,917)	158,408	850,530	460,705	1,311,235
Profit/(loss) for the year	-	-	-	-	-	-	106,393	106,393	(52,295)	54,098
Other comprehensive (expense)/income										
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(30,212)	-	(30,212)	(18,692)	(48,904)
Reclassification of cumulative translation reserve upon disposal and deregistration of foreign operations	-	-	-	-	-	13,850	-	13,850	-	13,850
Total comprehensive (expense)/income for the year	-	-	-	-	-	(16,362)	106,393	90,031	(70,987)	19,044
Deregistration of subsidiaries	-	-	-	-	-	-	-	-	798	798
Deemed contribution from a shareholder from extinguished loans	-	-	-	176,195	-	-	-	176,195	-	176,195
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	32,402	32,402
Balance at 31 December 2024 and 1 January 2025	2,640	88,276	11,010	474,338	309,970	(34,279)	264,801	1,116,756	422,918	1,539,674
Profit for the year	-	-	-	-	-	-	34,240	34,240	26,494	60,734
Other comprehensive income/(expense)										
Exchange differences arising on translation of foreign operations	-	-	-	-	-	56,640	-	56,640	29,277	85,917
Share of exchange reserve of an associate	-	-	-	-	-	2	-	2	-	2
Reclassification of cumulative translation reserve upon disposal and deregistration of foreign operations	-	-	-	-	-	(50)	-	(50)	-	(50)
Total comprehensive income for the year	-	-	-	-	-	56,592	34,240	90,832	55,771	146,603
Acquisition of a non-controlling interest	-	-	-	-	-	-	4	4	(4)	-
Deemed contribution from a shareholder from extinguished loans	-	-	-	300,131	-	-	-	300,131	-	300,131
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	61,930	61,930
Balance at 31 December 2025	2,640	88,276	11,010	774,469	309,970	22,313	299,045	1,507,723	540,615	2,048,338

Notes:

- The merger reserve represents the reserve arose pursuant to the reorganisation for the purpose of listing the shares of the Company.
- During the year ended 31 December 2025, a deemed contribution from a shareholder amounting approximately HK\$300,131,000 (2024: approximately HK\$176,195,000), arising from the extinguishment of a substantial shareholder loan, was recognised as capital contribution and credited directly to reserves in the consolidated statement of changes in equity.
- The other reserve represents the difference between the amount by which the non-controlling interests are adjusted and the consideration received is recognised directly in equity and attributed to owners of the Company regarding the changes in the Group's ownership interests in the subsidiary that do not result in the Group losing control over the subsidiary.
- The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Net cash generated from/(used in) operations	34a	302,109	(367,167)
Income tax paid		(28,136)	(30,111)
Income tax refunded		10,794	87
Net cash generated from/(used in) operating activities		284,767	(397,191)
Cash flows from investing activities			
Interest received		17,979	9,864
Net cash (outflow)/inflow from disposal of subsidiaries, net of cash disposed		(1,904)	19,348
Purchase of financial assets at fair value through profit or loss		(5,267)	–
Purchases of property, plant and equipment		(339,600)	(694,884)
Proceeds on disposal of property, plant and equipment		141,928	19,004
Acquired assets through acquisition of a subsidiary		–	(530)
Net cash used in investing activities		(186,864)	(647,198)
Cash flows from financing activities			
Interest paid		(66,564)	(51,385)
Acquisition of non-controlling interest		4	–
Advanced from related companies		301,184	213,300
Capital contributions from non-controlling interests		61,930	32,402
Repayments of borrowings		(3,450,809)	(1,633,492)
New loans raised		3,400,370	2,627,883
Principal elements of lease payments		(293,800)	(1,839)
Net cash (used in)/generated from financing activities		(47,685)	1,186,869
Net increase in cash and cash equivalents		50,218	142,480
Cash and cash equivalents at beginning of the year		265,887	137,372
Effects of foreign exchange rate changes		8,111	(13,965)
Cash and cash equivalents at end of the year		324,216	265,887
Analysis of balances of cash and cash equivalents			
Cash and bank balances	25	324,216	265,887

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 March 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares (the “**Shares**”) have been listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 29 March 2018. As at 31 December 2025, its parent and ultimate holding company is Central Culture Resource Group Limited, a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability and wholly-owned by Mr. Yu Zhuyun (“**Mr. Yu**”), the controlling shareholder of the Company.

The Company’s registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the Company’s principal place of business in Hong Kong is Unit 2102-03 & 10-12, 21/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the business of (i) new energy and engineering, procurement, and construction (“**EPC**”); (ii) green building and construction related business in Hong Kong and the People’s Republic of China (the “**PRC**”); (iii) smart energy management services; (iv) health and wellness; and (v) food and beverage (“**F&B**”) supply chain.

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the current year and prior year presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of the consolidated financial statements in accordance with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2.2 Changes in accounting policies and disclosures

(i) Amendments to HKFRS Accounting Standard that are mandatorily effective for the current year

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

Amendments to HKAS 21

Lack of Exchangeability

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES *(Continued)*

2.2 Changes in accounting policies and disclosures *(Continued)*

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

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

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

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

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

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

The directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2.3 Principles of consolidation

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity and the consolidated statement of financial position, respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.3 Principles of consolidation *(Continued)*

2.3.2 Changes in ownership interest in subsidiaries

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

2.3.3 Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisitions failed to meet the definition of business combination are treated as acquisitions of assets and liabilities instead of business combination.

Acquisition-related costs are expenses as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.3 Principles of consolidation *(Continued)*

2.3.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.5 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within "finance cost". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within 'other income and net gains/(loss)'.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.5 Foreign currency translation *(Continued)*

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency transaction differences arising are recognised in other comprehensive income.

2.6 Property, plant and equipment

The property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives or lease term, where applicable, as follows:

Machinery and equipment	10%–20%
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statements of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.7 Investment properties

Investment property, principally comprising leasehold land, is held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties.

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recognised in the consolidated statement of profit or loss and other comprehensive income within "Gain/(loss) on fair value changes of investment properties".

2.8 Intangible assets

2.8.1 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquirees and the acquisition date fair value of any previous equity interest in the acquirees over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The Group's goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.8.2 Intangible assets acquired separately

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.10 Properties available for sale

Properties available for sale are stated at the lower of cost and net realisable value. The cost of properties available for sale comprises the acquisition cost of land, aggregate cost of development and other direct expenses capitalised. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs to be incurred in selling the properties.

The amount of any write down of properties available for sale is recognised as an expense in the year write down or loss occurs. The amount of any reversal of any write down arising from an increase in net realisable value is recognised in the consolidated statement of profit or loss and other comprehensive income in the year in which the reversal occurs.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“**OCI**”) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“**FVOCI**”).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.11 Financial assets *(Continued)*

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the year in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.11 Financial assets *(Continued)*

2.11.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses (“**ECL**”) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supporting forward-looking information.

Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower’s ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments more than 365 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.13 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 *Revenue from Contracts with Customers*

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if the payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

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

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.19 Borrowing costs

General and specific borrowing costs that are 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 capitalisation.

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

2.20 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.20 Current and deferred income tax *(Continued)*

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax liabilities are not recognised if it arises from initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred taxation liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

(i) Employee leave entitlements

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

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

(ii) Retirement benefits

The Group operates defined contribution plans and pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. There were no forfeited contributions available to offset future employer's contributions to the schemes.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.21 Employee benefits *(Continued)*

(iv) Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

(v) Long service payments

Under the Hong Kong Employment Ordinance, the Group is required to make long service payments to its employees upon the termination of their employment or retirement on ground of old age when the employee fulfils certain conditions and the termination meets the required circumstances. Further, where accrued benefits (excluding any part attributable to the employee's contributions) have been paid to the employee, or is being held in a mandatory provident fund scheme by the employee, which is the case for most of the eligible employees of the Group, the long service payment is offset against the aforementioned amount of benefits to the extent that they relate to the employee's years of service for which the long service payment is payable.

Based on the Group's past experience and the directors' knowledge of the business and work force, the Group makes its estimates of its obligations to make long service payments to its employees in the event of termination of their employment or retirement. The Group's obligations to make such long service payments are recognised in the financial statements as long service payment liabilities at the present value (where the effect of discounting is material) of the long service payment obligations, which are estimated after deducting the entitlements accrued under the Group's defined contribution retirement scheme that are attributable to contributions made by the Group. Service cost, net interest on the long service payment liabilities (where discounting to present value is adopted because the effect of discounting is material) and remeasurements of the long service payment liabilities are recognised in profit or loss.

2.22 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amounts have been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basis earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.24 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.25 Revenue from contracts with customers

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates 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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.25 Revenue from contracts with customers *(Continued)*

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

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

(i) Foundation works and superstructure building works

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

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration (variation order of construction work), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its construction contracts. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

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

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.25 Revenue from contracts with customers *(Continued)*

(ii) Property management services

Revenue arising from property management services is recognised over time in the accounting period in which the services are rendered. The Group bills a fixed amount for services provided to the customers and recognises as revenue in the amount to which the Group satisfies performance obligations by transferring the services to its customers.

(iii) Trading of construction materials/Sales of healthcare products and healthy food/Sales of agricultures products, food and beverage materials/Sales of smart energy equipments

Revenue from sales of goods is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligations that could affect the customers' acceptance of the products. A delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

(iv) Manufacturing and sales of photovoltaic products and EPC services

Revenue from the manufacturing and sales of photovoltaic products and EPC directly to the customers is recognised at the point that the control of the finished products has passed to the customers, which is primarily upon the delivery of the products to the customers.

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these services is therefore recognised over-time using output method, i.e. by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the completion report signed by the customers.

(v) Installation of smart energy equipments services

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these services is therefore recognised over-time using output method, i.e. by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the completion report signed by the customers.

2.26 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.26 Leases *(Continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interest in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date. Depreciation on right-of-use assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated lease period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Group's shareholders or directors, where appropriate.

2.28 Deposit and prepayment for life insurance policy

Life insurance policy that can be terminated at any time is determined by the upfront payments plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge. If withdrawal is made, a pre-determined specified amount of surrender charge would be imposed.

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.30 Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.31 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories include construction materials, agriculture products, food and beverage materials, healthcare products and healthy food and smart energy equipments which are determined on a first-in, first-out method and costs of inventories include photovoltaic products and EPC which are determined by weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

2.32 Related parties

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

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control of 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.32 Related parties *(Continued)*

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) has control or joint control of the Group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

2.33 Investment in an associate

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.33 Investment in an associate *(Continued)*

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.33 Investment in an associate *(Continued)*

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Group's overall risk management programmed focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk primarily arising from monetary assets and liabilities of certain subsidiaries denominated in foreign currencies other than their functional currencies. The currencies giving rise to this risk are primarily HK\$, Renminbi, the United States Dollar and Japanese Yen.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(i) Foreign exchange risk *(Continued)*

The following table details the Group's exposure at the end of the reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
HK\$	—*	—*	—	250,931
Renminbi ("RMB")	27	128	—	—
United States Dollar ("US\$")	896	919	—	—
Japanese Yen ("JPY")	—	—	414,189	—

* Less than HK\$1,000

Sensitivity analysis

If the RMB has been appreciated/depreciated 5% against the foreign currency and all other variable were held constant, the Group's post-tax profit for the year would decrease/increase by approximately HK\$1,000 (2024: approximately HK\$6,000). If the JPY has been appreciated/depreciated 5% against the foreign currency and all other variable were held constant, the Group's post-tax profit for the year would decrease/increase by approximately HK\$661,000 (2024: Nil). No sensitivity analysis is presented for foreign currency fluctuation between US\$ against HK\$ because HK\$ is pegged to US\$ and assumed that the rate would not be materially affected by any changes in movement in value of the HK\$ against other currencies.

(ii) Interest rate risk

Other than bank balances with variable interest rate, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group is exposed to cash flow interest rate risk in relation to variable-rates bank borrowings and fair value interest rate risk in relation to fixed-rate other borrowings and lease liabilities. The Group is not exposed to significant cash flow interest rate risk. The Group currently does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowing. It is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, the Group's profit for the year would decrease/increase by approximately HK\$458,000 (2024: approximately HK\$632,000).

The Group's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(iii) Credit risk

Credit risk arises mainly from trade receivables, bills receivables, other receivables and deposits, pledged bank deposits and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statements of financial position.

In order to minimise the credit risk, the management of the Group 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. The credit quality of the debtors is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. In addition, the Group reviews the recoverable amount of each individual debt at the end of each of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the credit risk is significantly reduced.

As at 31 December 2025, there were one (2024: four) customers which individually contributed over 10% of the Group's trade receivables. The aggregate amounts of trade receivables from these customers amounted to 14% respectively (2024: 74%) of the Group's total trade receivables as at 31 December 2025.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Trade receivables and contract assets

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the ECL, trade receivables and contract assets have been assessed collectively using a provision matrix with appropriate groupings based on same risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. The ECL also incorporate forward-looking information such as actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(iii) Credit risk (Continued)

Trade receivables and contract assets (Continued)

As at 31 December 2025 and 2024, the loss allowance for trade receivables were determined as follows:

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
31 December 2025						
Expected credit loss rate	–%	–%	–%	–%	40.3%	
Gross carrying amount — trade receivables (HK\$'000)	1,820,627	4,028	3,547	2,904	5,954	1,837,060
Loss allowance (HK\$'000)	–	–	–	–	2,400	2,400
31 December 2024						
Expected credit loss rate	–%	–%	–%	–%	13.4%	
Gross carrying amount — trade receivables (HK\$'000)	878,023	45,384	14,952	3,743	17,063	959,165
Loss allowance (HK\$'000)	–	–	–	–	2,292	2,292

The estimated loss rate are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effect.

The Group uses four categories for bills receivables, other receivables and deposits, pledged bank deposits and bank balances which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

The Group's internal credit risk grading comprises the following categories:

Category	Group definition of category	Basis for recognition of ECL
Performing	There have low risk of default and has not been any significant increase in credit risk since initial recognition	12-month ECL
Doubtful	There have been significant increase in credit risk since initial recognition	Lifetime ECL — not credit impaired
Default	There is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows	Lifetime ECL — credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Bills receivables

The internal credit rating of bills receivables were performing. Management has measured the loss allowances of these financial assets at 12m ECL. The Group uses past due information and forward-looking information to assess whether credit risk has increased significantly since initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(iii) Credit risk *(Continued)*

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Pledged bank deposits and bank balances

The credit risk of pledged bank deposits and bank balances is considered not material as such amounts are placed in reputable banks with high credit rating assigned by international credit-rating agencies. There has been no recent history of default in relation to these banks and thus the risk of default is regarded as low.

The movement in the loss allowances for trade receivables, contract assets, bills receivables and other receivables and deposits during the years ended 31 December 2025 and 2024 are as follows:

	Trade receivables Life-time ECL (not credit impaired) HK\$'000	Trade receivables Life-time ECL (credit impaired) HK\$'000	Contract assets Life-time ECL (not credit impaired) HK\$'000	Bills receivables (12-month ECL) HK\$'000	Other receivables and deposits (12-month ECL) HK\$'000
As at 1 January 2024	4,511	6,881	1,190	824	269
Transfer to credit-impaired	(181)	181	–	–	–
Reversal of loss allowance recognised in profit or loss during the year	–	(3,704)	–	–	–
Disposal of subsidiaries	(4,297)	(970)	(1,182)	–	(154)
Exchange realignment	(33)	(96)	(8)	(30)	(3)
As at 31 December 2024 and 1 January 2025	–	2,292	–	794	112
Exchange realignment	–	108	–	38	5
As at 31 December 2025	–	2,400	–	832	117

The creation and release of provision for impaired trade receivables, contract assets and bills and other receivables and deposits have been included in administrative and other operating expenses in the consolidated statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovery.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(iv) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet their liquidity requirements in the short and long term. Management believes there is no significant liquidity risk as the Group has sufficient financial resources to fund their operations.

The following table details the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on current rates at the end of each reporting period) and the earliest date the Group may be required to pay:

	On demand or within one year HK\$'000	Between one and two years HK\$'000	Between two and five years HK\$'000	More than five years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amounts HK\$'000
At 31 December 2025						
Trade and other payables	1,685,958	–	–	–	1,685,958	1,685,958
Borrowings	1,714,978	60,726	122,819	75,962	1,974,485	1,928,464
Lease liabilities	206,561	322,216	61,772	77,186	667,735	617,925
	3,607,497	382,942	184,591	153,148	4,328,178	4,232,347
Derivative financial liabilities at fair value through profit or loss	1,964	–	–	–	1,964	1,964
At 31 December 2024						
Trade and other payables	872,798	–	–	–	872,798	872,798
Borrowings	1,689,363	109,180	152,225	94,483	2,045,251	1,980,304
Lease liabilities	1,773	1,759	5,278	5,363	14,173	11,589
	2,563,934	110,939	157,503	99,846	2,932,222	2,864,691

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the debts as at each year end divided by the total equity as at each year end.

The gearing ratio of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Debts (Note)	2,546,389	1,991,893
Total equity	2,048,338	1,539,674
Gearing ratio	124.31%	129.37%

Note: Debts comprises lease liabilities and borrowings as detailed in Notes 29 and 33.

3.3 Fair value estimation

The Group's financial instruments carried at fair value as at 31 December 2025 and 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(i) **Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2025 HK\$'000	2024 HK\$'000			
Listed equity securities classified as financial assets at fair value through profit or loss	5,586	3	Level 1	Quoted bid prices in an active market	N/A
Derivative financial assets at fair value through profit or loss	188	–	Level 2	Discounted cash flow, future cash flows are estimate based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflect the credit risk of carious counterparties	N/A

Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2025 HK\$'000	2024 HK\$'000			
Derivative financial liabilities at fair value through profit or loss	1,964	–	Level 2	Discounted cash flow, future cash flows are estimate based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflect the credit risk of carious counterparties	N/A

There were no transfers between Level 1, 2 and 3 in current and prior years.

(ii) **Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis**

The directors of the Company consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimation of recoverability of trade receivables

The directors of the Company estimate the amount of loss allowance for trade receivable based on the credit risk of trade receivables. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The assessment of the credit risk of trade receivables involves high degree of estimation and uncertainty as the directors of the Company estimates the loss rates for debtors by using past history, existing market conditions as well as forward-looking information. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly. For details of impairment assessment are set out in Note 3.1.

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

Revenue, other income and net gains/(loss) recognised during the current year and prior year are as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue		
New energy and EPC	8,530,316	4,127,452
Green building and construction related business	602,118	898,094
Smart energy management services	111,638	65,863
Health and wellness	1,772,774	925,256
F&B supply chain	–	5,057
Revenue from contracts with customers	11,016,846	6,021,722
Rental income	–	10,304
	11,016,846	6,032,026
Other income and net gains/(loss)		
Interest income	17,979	9,864
Gain/(loss) on fair value change of financial assets at fair value through profit or loss	319	(5)
Net loss on fair value changes of derivative financial instruments at fair value through profit or loss	(1,728)	–
Net gains on disposal of subsidiaries	19,871	52,901
Net gains on deregistration of subsidiaries	–	148
Net gain/(loss) on disposal of property, plant and equipment	22,048	(908)
Government grants	63,066	116,626
Operating lease income	580	3,074
Sundry income	710	999
	122,845	182,699

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

(Continued)

Government grants of approximately HK\$63,066,000 (2024: approximately HK\$116,626,000) in respect of foreign enterprises and other business incentives from various government authorities in the PRC, which were recognised during the year as there were no unfulfilled conditions.

Disaggregation of revenue from contracts with customers

	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition		
Over time	12,695	243,805
A point in time	11,004,151	5,777,917
	11,016,846	6,021,722
Types of services or goods		
Foundation works and superstructure building works	–	113,511
Property management services	–	64,431
Trading of construction materials	602,118	720,152
Sales of agriculture products, food and beverage materials	–	686,340
Sales of healthcare products and healthy food	1,772,774	243,973
Manufacturing and sales of photovoltaic products and EPC services	8,530,316	4,127,452
Sales of smart energy equipments	108,000	–
Installation of smart energy equipments services	3,638	65,863
	11,016,846	6,021,722

Performance obligations for contracts with customers

Foundation works and superstructure building works

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these works is therefore recognised over time using output method, i.e. based on surveys of the relevant services completed by the Group to date with reference to certificates issued by customers or payment applications confirmed by internal surveyor. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations in these contracts under HKFRS 15.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

(Continued)

Performance obligations for contracts with customers *(Continued)*

Property management services

Revenue arising from property management services is recognised over time in the accounting period in which the services are rendered. The Group bills the amount for services provided to the customers and recognises as revenue in the amount to which the Group satisfies performance obligations by transferring the services to its customers. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Trading of construction materials/Sales of healthcare products and healthy food/Sales of agricultures products, food and beverage materials/Sales of smart energy equipments

Revenue from sales of goods is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligations that could affect the customers' acceptance of the products. A delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

Manufacturing and sales of photovoltaic products and EPC services

Revenue from the manufacturing and sales of photovoltaic products and EPC directly to the customers is recognised at the point in time that the control of the finished products has passed to the customers, which is primarily upon the delivery of the products to the customers.

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these services is therefore recognised over-time using output method, i.e. by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the completion report signed by the customers.

Installation of smart energy equipments services

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these services is therefore recognised over-time using output method, i.e. by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the completion report signed by the customers.

Transaction price allocated to the remaining performance obligations from contracts with customers

All provision of foundation works and superstructure building works, property management services, EPC services and installation of smart energy equipment services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

(Continued)

Segment information

The Group's operating segments are determined based on information reported to the board of directors of the Company, being the chief operating decision-maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments under HKFRS 8 Operating Segments are as follows:

- (i) New energy and EPC — manufacturing and sales of photovoltaic products and EPC services;
- (ii) Green building and construction related business — provision of piling works, excavation and lateral support works, and pile cap construction and building works; development and sale of properties and holding of properties for investment and leasing purposes; provision of property management services, which include security, cleaning, greening, gardening, repair and maintenance; and supplying of construction materials;
- (iii) Smart energy management services — provision of smart energy management system, which include sales and installation of energy-saving lighting, energy-saving equipment and information technology development services;
- (iv) Health and wellness — provision of health and wellness services, which include the healthcare consulting and sales of healthcare products and healthy food; and
- (v) F&B supply chain — provision of agriculture products, food and beverage materials supply chain business.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and result by operating segments:

For the year ended 31 December 2025

	New energy and EPC HK\$'000	Green building and construction related business HK\$'000	Smart energy management services HK\$'000	Health and wellness HK\$'000	F&B supply chain HK\$'000	Total HK\$'000
REVENUE						
Revenue from external customers	8,530,316	602,118	111,638	1,772,774	–	11,016,846
RESULT						
Segment profit	74,977	707	40,574	2,175	–	118,433
Other income and net gains						68,950
Share of profit of an associate						80
Unallocated corporate expenses						(38,607)
Finance costs						(66,564)
Profit before income tax						82,292

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2024

	New energy and EPC HK\$'000	Green building and construction related business HK\$'000	Smart energy management services HK\$'000	Health and wellness HK\$'000	F&B supply chain HK\$'000	Total HK\$'000
REVENUE						
Revenue from external customers	4,127,452	908,398	65,863	925,256	5,057	6,032,026
RESULT						
Segment profit/(loss)	84,922	(7,260)	162	1,171	47	79,042
Other income and net gains						67,145
Unallocated corporate expenses						(38,519)
Finance costs						(51,385)
Profit before income tax						56,283

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the years ended 31 December 2025 and 2024.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) from each segment without allocation of certain of other income and net gains, share of profit of an associate, unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Segment assets and liabilities

	2025 HK\$'000	2024 HK\$'000
Segment assets		
New energy and EPC	3,989,787	2,952,469
Green building and construction related business	73,804	33,668
Smart energy management services	179,632	71,690
Health and wellness	106,593	3,107
F&B supply chain	7,822	7,843
Total reportable segment assets	4,357,638	3,068,777
Unallocated corporate assets	2,392,522	1,407,838
Consolidated total assets	6,750,160	4,476,615
Segment liabilities		
New energy and EPC	3,891,433	2,705,210
Green building and construction related business	48,541	2,802
Smart energy management services	74,737	73,641
Health and wellness	107,631	205
F&B supply chain	–	–
Total reportable segment liabilities	4,122,342	2,781,858
Unallocated corporate liabilities	579,480	155,083
Consolidated total liabilities	4,701,822	2,936,941

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

- all assets are allocated to operating segments other than certain of right-of-use assets, tax recoverable, pledged bank deposits, cash and bank balance and other unallocated corporate assets; and
- all liabilities are allocated to operating segments other than tax payables, certain of lease liabilities and other unallocated corporate liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Other segment information

For the year ended 31 December 2025

	New energy and EPC HK\$'000	Green building and construction related business HK\$'000	Smart energy management services HK\$'000	Health and wellness HK\$'000	F&B supply chain HK\$'000	Unallocated HK\$'000	Total HK\$'000
Addition to non-current assets	1,066,682	–	–	–	–	164,457	1,231,139
Depreciation of property, plant and equipment	133,253	–	6	–	–	157	133,416
Depreciation of right-of-use assets	54,976	–	–	–	–	2,422	57,398

For the year ended 31 December 2024

	New energy and EPC HK\$'000	Green building and construction related business HK\$'000	Smart energy management services HK\$'000	Health and wellness HK\$'000	F&B supply chain HK\$'000	Unallocated HK\$'000	Total HK\$'000
Addition to non-current assets	667,328	329	16	–	–	38,640	706,313
Depreciation of property, plant and equipment	136,064	3,926	4	–	–	488	140,482
Depreciation of right-of-use assets	–	–	–	–	–	1,599	1,599
Loss on fair value changes of investment properties	–	(10,044)	–	–	–	–	(10,044)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME AND NET GAINS/(LOSS) AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Geographical information

The Group's operations are located in both Hong Kong and the PRC.

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

	Revenue from external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	108,000	113,511	3,029	241
The PRC	10,908,846	5,918,515	2,508,801	1,435,319
	11,016,846	6,032,026	2,511,830	1,435,560

Note: Non-current assets excluded investment in an associate.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer 1 ¹	1,489,220	1,225,209

¹ Revenue from new energy and EPC.

6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings and other borrowings	48,489	51,265
Interest on lease liabilities	18,075	120
	66,564	51,385

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. PROFIT BEFORE INCOME TAX

Profit before taxation has been arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Auditors' remuneration	1,580	1,580
Depreciation of property, plant and equipment	133,416	140,482
Depreciation of right-of-use assets	57,398	1,599
Reversal of impairment losses on trade receivables	–	(3,704)
Rental expense from short-term leases	4,632	20,045
Cost of inventories sold recognised as an expense	8,904,794	5,575,515
Staff costs (including directors' emoluments)	133,039	184,483

8. EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2025 HK\$'000	2024 HK\$'000
Directors' emoluments	2,581	2,277
Other staff costs	117,989	164,437
Retirement scheme contributions — defined contribution plan, excluding directors	12,469	17,769
	133,039	184,483

The Group operates defined contribution schemes in Hong Kong which comply with the requirements under the Mandatory Provident Fund (“MPF”) Schemes Ordinance. All assets under the scheme are held separately from the Group under independently administered funds. Contributions to the MPF scheme follow the MPF Schemes Ordinance.

The employees of the Group's subsidiaries established in the PRC are required to participate in a state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute a certain percentage of basic payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

As at 31 December 2025 and 2024, there were no forfeited contributions available to offset future employers' contributions to the schemes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the years ended 31 December 2025 and 2024 are set out below:

	Fee HK\$'000	Salaries, allowances and other benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Year ended 31 December 2025					
<i>Executive directors</i>					
— Mr. Yu Zhuyun ("Mr. Yu") (Note (i))	–	660	–	18	678
— Mr. Li Menglin	–	605	–	–	605
<i>Non-executive directors</i>					
— Mr. Qiao Xiaoge	–	165	–	–	165
— Ms. Zhu Yujuan	–	293	–	15	308
<i>Independent non-executive directors</i>					
— Dr. Li David Xianglin	275	–	–	–	275
— Mr. Wang Wenxing	275	–	–	–	275
— Dr. Zhou Chunsheng	275	–	–	–	275
	825	1,723	–	33	2,581

	Fee HK\$'000	Salaries, allowances and other benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Year ended 31 December 2024					
<i>Executive directors</i>					
— Mr. Yu (Note (i))	–	645	–	18	663
— Mr. Li Menglin	–	591	–	–	591
<i>Non-executive directors</i>					
— Mr. Qiao Xiaoge	–	108	–	–	108
— Ms. Zhu Yujuan	–	108	–	–	108
<i>Independent non-executive directors</i>					
— Dr. Li David Xianglin	269	–	–	–	269
— Mr. Wang Wenxing	269	–	–	–	269
— Dr. Zhou Chunsheng	269	–	–	–	269
	807	1,452	–	18	2,277

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. BENEFITS AND INTEREST OF DIRECTORS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

Note:

- (i) Mr. Yu is also the chief executive officer of the Company and his emoluments disclosed above including these for services rendered by him as the chief executive officer.

(b) Five highest paid individuals

Of the five individuals with the highest in the Group, two (2024: none) were directors, whose emoluments are disclosed above. The emoluments paid to the remaining three (2024: five) individuals were as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	3,152	5,322
Discretionary bonuses	–	–
Retirement scheme contributions	92	–
	3,244	5,322

The emoluments fell within the following bands:

	2025 Number of individuals	2024 Number of individuals
Emolument bands (in HK\$)		
Nil–HK\$1,000,000	1	2
HK\$1,000,001–HK\$1,500,000	2	3

During the year, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group (2024: nil).

10. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Hong Kong Profits Tax		
— Current tax	6,890	–
The PRC Enterprise Income Tax		
— Current tax	14,668	2,153
Deferred tax (Note 31)	–	32
Income tax expense	21,558	2,185

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (Continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2024 as the Group has available tax losses brought forward from prior periods.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Pursuant to relevant PRC tax laws and regulations, the annual taxable income of a small low-profit enterprises (the “**Small Low-profit Enterprises**”) that is not more than RMB1 million shall be taxed at a 20% corporate income tax rate on 12.5% (2024: 12.5%) of their taxable income amount for the proportion of taxable income not exceeding RMB1 million; and taxed at a 20% corporate income tax rate on 50% (2024: 50%) of their taxable income amount of more than RMB1 million but not exceeding RMB3 million for the year.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

The tax charge for the year can be reconciled to profit before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	82,292	56,283
Calculated at the statutory tax rate of 16.5% (2024: 16.5%)	13,578	9,287
Income not subject to tax	(20,065)	(43,761)
Expenses not deductible for tax purposes	28,604	29,813
Tax concession	(650)	(13)
Tax effect of share of profit of an associate	(20)	–
Tax losses for which no deferred income tax asset was recognised	23,128	20,120
Utilisation of tax losses previously not recognised	(27,825)	(27,356)
Effect of different taxation rates in other jurisdictions	4,808	14,095
Income tax expense	21,558	2,185

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. EARNINGS PER SHARE

	2025 HK\$'000	2024 HK\$'000
Profit for the year attributable to owners of the Company	34,240	106,393
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	4,224,000	4,224,000
	HK cent	HK cent
Basic earnings per share	0.81	2.52

No diluted earnings per share is presented for both years as there was no potential ordinary share outstanding.

12. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at the end of the reporting period are set out as follows:

Name	Place of incorporation/ operation and kind of legal entity	Principal activities	Issued and fully paid-up capital/ registered capital	Percentage of interest held	
				2025	2024
中環低碳(安徽)新能源光伏科技 有限公司 Zhonghuan Low Carbon (Anhui) New Energy Photovoltaic Technology Co. Ltd.* "Zhonghuan Low Carbon (Anhui) New Energy"	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB1,500,000,000	53.33% (indirect)	53.33% (indirect)
中環低碳(安徽)新能源光伏組件 科技有限公司 Zhonghuan Low Carbon (Anhui) New Energy Photovoltaic Module Technology Co., Ltd.* "Photovoltaic Module"	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB200,000,000	53.33% (indirect)	53.33% (indirect)
中環新能(安徽)先進電池制造 有限公司 Zhonghuan Xin Neng (Anhui) Advanced Battery Manufacturing Co. Ltd.*	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB200,000,000	53.33% (indirect)	53.33% (indirect)
中環(桐城)新能源科技有限公司 Central (Tongcheng) New Energy Technology Co., Ltd.*	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB600,000,000	71% (indirect)	71% (indirect)
中環低碳(鳳台)新能源科技有限公司 Zhonghuan Low Carbon (Fengtai) New Energy Technology Co. Ltd.*	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB30,000,000	100% (indirect)	100% (indirect)
中環數科(江蘇)智能科技有限公司 Central DigiTech (Jiang Su) Intelligent Technology Inc.* (Note 37(ii))	PRC, limited liability company	Provision of smart energy management services	Registered capital RMB20,000,000	-	100% (indirect)

Notes:

- (a) None of the subsidiaries had issued any listed securities at the end of the reporting period.
- (b) The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

* English translation of the name of a Chinese company is provided for identification purpose only.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PRINCIPAL SUBSIDIARIES (Continued)

The table below shows details of non-wholly-owned subsidiaries of the Group that has material non-controlling interest:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Zhonghuan Low Carbon (Anhui) New Energy and its subsidiaries	PRC, limited liability company	46.67%	46.67%	46,526	(49,916)	467,891	395,225
Central (Tongcheng) New Energy Technology Co., Ltd.	PRC, limited liability company	29%	29%	(19,490)	(2,183)	73,426	28,032
Individually immaterial subsidiaries with non-controlling interests				(542)	(196)	(702)	(339)
				26,494	(52,295)	540,615	422,918

The non-controlling interests in respect of the others is not material.

Summarised financial information on subsidiaries with material non-controlling interests

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Zhonghuan Low Carbon (Anhui) New Energy and its subsidiaries

Summarised consolidated statement of financial position

	2025	2024
	HK\$'000	HK\$'000
Current assets	2,964,823	1,808,140
Non-current assets	1,298,669	1,310,177
Current liabilities	(2,436,844)	(1,837,602)
Non-current liabilities	(220,668)	(305,027)
Net assets	1,605,980	975,688

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PRINCIPAL SUBSIDIARIES *(Continued)*

Summarised financial information on subsidiaries with material non-controlling interests *(Continued)*

Zhonghuan Low Carbon (Anhui) New Energy and its subsidiaries *(Continued)*

Summarised consolidated statement of profit or loss and other comprehensive income

	2025 HK\$'000	2024 HK\$'000
Revenue	2,561,801	2,672,193
Profit/(loss) for the year	99,692	(106,955)
Profit/(loss) attributable to the non-controlling interests	46,526	(49,916)
Other comprehensive income/(expense) for the year	56,010	(36,311)
Other comprehensive income/(expense) attributable to the non-controlling interests	26,140	(16,947)
Total comprehensive income/(expense) for the year	155,702	(143,266)
Total comprehensive income/(expense) allocated to non-controlling interests	72,666	(66,863)

Summarised consolidated statement of cash flows

	2025 HK\$'000	2024 HK\$'000
Net cash (outflow)/inflow from operating activities	(303,372)	275,392
Net cash outflow from investing activities	(35,065)	(660,759)
Net cash inflow from financing activities	614,756	632,018
Net cash inflow	276,319	246,651

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. PRINCIPAL SUBSIDIARIES (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Central (Tongcheng) New Energy Technology Co., Ltd

Summarised consolidated statement of financial position

	2025 HK\$'000	2024 HK\$'000
Current assets	218,090	268,272
Non-current assets	859,168	99,410
Current liabilities	(298,681)	(166,099)
Non-current liabilities	(287,911)	–
Net assets	490,666	201,583

Summarised consolidated statement of profit or loss and other comprehensive income

	2025 HK\$'000	2024 HK\$'000
Revenue	453,418	–
Loss for the year	(67,209)	(7,529)
Loss attributable to the non-controlling interests	(19,490)	(2,183)
Other comprehensive income/(expense) for the year	10,889	(5,581)
Other comprehensive income/(expense) attributable to the non-controlling interests	3,158	(1,619)
Total comprehensive expense for the year	(56,320)	(13,110)
Total comprehensive expense allocated to non-controlling interests	(16,332)	(3,802)

Summarised consolidated statement of cash flows

	2025 HK\$'000	2024 HK\$'000
Net cash outflow from operating activities	(93,286)	(174,176)
Net cash outflow from investing activities	(742)	(91)
Net cash (outflow)/inflow from financing activities	(99,635)	361,955
Net cash (outflow)/inflow	(193,663)	187,688

13. DIVIDENDS

No dividend was proposed or paid by the Board for the year ended 31 December 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost						
At 1 January 2024	854,480	424	6,470	5,922	–	867,296
Additions	657,880	–	9,704	669	26,631	694,884
Transfer from construction in progress	12,209	1,610	–	–	(13,819)	–
Disposals of subsidiaries	(38,075)	(427)	(627)	(5,454)	–	(44,583)
Disposal	(20,564)	–	(226)	(398)	–	(21,188)
Exchange adjustments	(47,110)	–	(480)	(28)	(733)	(48,351)
At 31 December 2024	1,418,820	1,607	14,841	711	12,079	1,448,058
Accumulated depreciation						
At 1 January 2024	37,330	424	1,001	4,951	–	43,706
Charge for the year	137,862	208	1,980	432	–	140,482
Disposals of subsidiaries	(31,121)	(428)	(514)	(4,851)	–	(36,914)
Eliminated on disposals	(847)	–	(31)	(398)	–	(1,276)
Exchange adjustments	(4,028)	(6)	(79)	(8)	–	(4,121)
At 31 December 2024	139,196	198	2,357	126	–	141,877
Net book value						
At 31 December 2024	1,279,624	1,409	12,484	585	12,079	1,306,181
Cost						
At 1 January 2025	1,418,820	1,607	14,841	711	12,079	1,448,058
Additions	170,422	–	16,495	–	152,683	339,600
Transfer from construction in progress	53,790	–	–	–	(53,790)	–
Transfer from leasehold improvement	1,607	(1,607)	–	–	–	–
Disposals of subsidiaries	–	–	(20)	–	–	(20)
Disposal	(126,246)	–	(9,492)	–	–	(135,738)
Exchange adjustments	68,228	–	897	34	3,055	72,214
At 31 December 2025	1,586,621	–	22,721	745	114,027	1,724,114
Accumulated depreciation						
At 1 January 2025	139,196	198	2,357	126	–	141,877
Charge for the year	130,506	–	2,770	140	–	133,416
Transfer from leasehold improvement	198	(198)	–	–	–	–
Disposals of subsidiaries	–	–	(10)	–	–	(10)
Eliminated on disposals	(15,820)	–	(38)	–	–	(15,858)
Exchange adjustments	9,761	–	190	10	–	9,961
At 31 December 2025	263,841	–	5,269	276	–	269,386
Net book value						
At 31 December 2025	1,322,780	–	17,452	469	114,027	1,454,728

As at 31 December 2025, the Group's certain machinery and equipment with a carrying amount of approximately HK\$694,712,000 (2024: approximately HK\$601,946,000) have been pledged to secure the Group's borrowings (Note 33).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS

The Group leases certain properties as office premises, machinery and equipment and leasehold land for its operations. Leases contracts are entered into for fixed terms from three to fifty years (2024: three to eight years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

	Office premises HK\$'000	Machinery and equipment HK\$'000	Leasehold land HK\$'000	Total HK\$'000
At 31 December 2025				
Carrying amount	3,029	827,171	39,081	869,281
At 31 December 2024				
Carrying amount	241	11,275	–	11,516
For the year ended 31 December 2025				
Depreciation charge	1,570	54,977	851	57,398
For the year ended 31 December 2024				
Depreciation charge	1,442	157	–	1,599
			2025	2024
			HK\$'000	HK\$'000
Finance costs (Note 6)			18,075	120
Expense relating to short-term leases			4,632	20,045
Total cash outflow for leases			316,507	22,004
Addition to right-of-use assets			891,539	11,429

The Group regularly entered into short-term leases for certain office premises, office equipment and leasehold land.

The lease agreements do not impose any covenants other than the security interests in the leases assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. INVESTMENT PROPERTIES

	HK\$'000	
FAIR VALUE		
At 1 January 2024		222,310
Disposal of a subsidiary		(206,296)
Net decrease in fair value recognised in profit or loss		(10,044)
Exchange adjustments		(5,970)
At 31 December 2024, 1 January 2025 and 31 December 2025		
		–
	2025 HK\$'000	2024 HK\$'000
Unrealised loss on properties revaluation included in profit or loss	–	(10,044)

The fair value of the Group's investment properties located in the PRC have been arrived at on the basis of a valuation carried out on the respective dates by Peak Vision Appraisals Limited, independent qualified professional valuers not connected to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. INTANGIBLE ASSET

	Goodwill HK\$'000	Licence HK\$'000 (Note)	Total HK\$'000
At 1 January 2024	217	2,772	2,989
Disposal of subsidiaries (Note 37)	(217)	(2,747)	(2,964)
Acquired assets through acquisition of a subsidiary	–	530	530
Exchange adjustments	–	(25)	(25)
As at 31 December 2024 and 1 January 2025	–	530	530
Exchange adjustments	–	25	25
As at 31 December 2025	–	555	555

Note: The licence represents a second class main contractor in general construction works licence (建築工程施工總承包貳級) in the PRC.

The licence is considered by the management of the Group as having an indefinite useful life as it is expected to generate economic benefit to the Group indefinitely. The licence will not be amortised until its useful life is determined to be finite.

As at 31 December 2025, the carrying amount of the licence is approximately HK\$555,000. During the year ended 31 December 2025, the management performed impairment review for the licence. The recoverable amount of the licence has been determined by a value-in-use calculation based on the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management. The CGU's cash flows are extrapolated using a steady 2% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. All cash flows are using a pre-tax discount rate of 18.36%, that reflect the risks specific to the licence. No impairment loss was recognised for year as the recoverable amount to the licence exceeded its carrying amount.

In November 2024, the Group entered into a sale and purchase agreement with an independent third party regarding the acquisition of a subsidiary at the consideration of RMB500,000 (equivalent to approximately HK\$530,000). As at 31 December 2024, the carrying amount of the licence is approximately HK\$530,000. During the year ended 31 December 2024, the management performed impairment review for the licence. The recoverable amount of the licence has been determined by a value-in-use calculation based on the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management. The CGU's cash flows are extrapolated using a steady 2% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. All cash flows are using a pre-tax discount rate of 18.91%, that reflect the risks specific to the licence. No impairment loss was recognised for year as the recoverable amount to the licence exceeded its carrying amount.

18. DEPOSIT AND PREPAYMENT FOR LIFE INSURANCE POLICY

The Group entered into a life Insurance policy with an insurance company to insure Mr. Ng Chi Bun Benjamin in 2017. Under the policy, Wise Trend Engineering is the beneficiary and policy holder and the total insured sum is US\$1,080,000 (equivalent to approximately HK\$8,424,000). Wise Trend Engineering is required to pay upfront deposits of approximately US\$388,000 (equivalent to approximately HK\$3,026,000). Wise Trend Engineering can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal, which is determined by the upfront payments of approximately US\$388,000 (equivalent to approximately HK\$3,026,000) plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge. In addition, if withdrawal is made at any time during the first to the eighteenth policy year, as appropriate, a pre-determined specified amount of surrender charge would be imposed. The insurance company will pay Wise Trend Engineering a guaranteed interest of 3.55% per annum for the first year, followed by guaranteed interest of 2% per annum or above per annum for the following years.

Included in sundries income for the year ended 31 December 2024 was amount of approximately HK\$53,000 in respect of income on deposit and prepayment for life insurance policy.

In the opinion of the directors of the Company, the surrender cash value (including guaranteed interest) reported by the financial institution on a regular basis is the best approximation of its fair value, which is categorised within Level 2 of the fair value hierarchy.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Equity securities listed in Hong Kong	5,586	–
Equity securities listed in the United States	–	3
	5,586	3

The fair value of the listed securities are determined based on quoted market bid price available on the relevant stock exchange.

Details of disclosure for fair value measurement are set out in Note 3.3.

20. INVESTMENT IN AN ASSOCIATE

	2025 HK\$'000
Cost of investment in an associate, unlisted (Note)	–
Share of post-acquisition profit and other comprehensive income	80
Exchange adjustment	2
	82

Detail of the Group's associate as at 31 December 2025 is as follows:

Name	Place of incorporation/ operation	Principal activity	Particulars of issued shares capital/ registered capital	Percentage of interest held
中環雲鑫供應鏈管理(四川)有限公司 Zhonghuan Yunxin Supply Chain Management (Sichuan) Co., Ltd*	PRC	Smart energy management	Registered capital RMB20,000,000	30%

Note: The paid up capital of the associate to be injected will be RMB10,000 in which 30% is held by 中環鴻欣控股(深圳)有限公司, an indirectly wholly-owned subsidiary of the Company. The amount of RMB3,000, representing the capital of the associate to be injected by 中環鴻欣控股(深圳)有限公司, is thus shown as capital commitment of the Group as at 31 December 2025. During the year ended 2025, no capital of the associate has been injected by 中環鴻欣控股(深圳)有限公司. The remaining capital commitment is therefore RMB3,000 as at 31 December 2025.

* English translation of the name of a Chinese company is provided for identification purpose only.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. INVESTMENT IN AN ASSOCIATE *(Continued)*

Summarised financial information of an associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

The associate is accounted for using the equity method in these consolidated financial statements.

	2025 HK\$'000
Current assets	5,892
Non-current assets	–
Current liabilities	(5,617)
Non-current liabilities	–
Revenue	12,814
Profit for the year	268
Other comprehensive income	7
Total comprehensive income	275

Reconciliation of the above summarised financial information to the carrying amount of the investment in an associate recognised in the consolidated financial statements:

	2025 HK\$'000
Net asset of an associate	275
Proportion of the Group's ownership investment in an associate	30%
Carrying amount of the investment in an associate	82

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at fair value through profit or loss	5,586	3
Derivative financial asset at fair value through profit and loss	188	–
Total	5,774	3
<i>Financial assets at amortised cost</i>		
Trade, bills and other receivables excluding prepayments and deposits paid for acquisition of non-current assets	2,273,045	1,433,252
Pledged bank deposits	816,431	824,863
Cash and bank balances	324,216	265,887
Total	3,413,692	2,524,002
Financial liabilities		
Derivative financial liabilities at fair value through profit and loss	1,964	–
Total	1,964	–
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	1,685,958	872,798
Borrowings	1,928,464	1,980,304
Lease liabilities	617,925	11,589
Total	4,232,347	2,864,691

22. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Derivative financial assets at fair value through profit or loss not under hedge accounting interest rate swaps	188	–
Derivative financial liabilities at fair value through profit or loss not under hedge accounting interest rate swaps	(1,964)	–

The fair value of the above derivative financial instruments is calculated using discounted cash flow analysis based on the applicable interest rates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	1,837,060	959,165
Less: Provision for impairment losses	(2,400)	(2,292)
	1,834,660	956,873
Bills receivables (note d)	255,417	101,897
Less: Provision for impairment losses	(832)	(794)
	254,585	101,103
Sub-total	2,089,245	1,057,976
Other receivables (notes (e) and (f))	140,689	328,742
Deposits	52,403	46,646
Less: Provision for impairment losses	(117)	(112)
	192,975	375,276
Prepayments	767,591	427,388
Total	3,049,811	1,860,640
Analysed as:		
Non-current	187,266	117,333
Current	2,862,545	1,743,307
	3,049,811	1,860,640

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

- (a) The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The credit period granted to customers is generally 7 to 270 days (2024: 7 to 270 days).
- (b) The ageing analysis of the trade receivables, before netting off provision for impairment losses, (excluding bills receivables) based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	1,824,655	767,746
31–60 days	3,547	52,315
61–90 days	2,904	100,496
Over 90 days	5,954	38,608
	1,837,060	959,165

- (c) As at 31 December 2025, trade receivables of approximately HK\$16,433,000 (2024: approximately HK\$81,142,000) were past due. Out of the past due balances, approximately HK\$5,954,000 (2024: approximately HK\$14,771,000) has been past due 90 days or more and is not considered as in default. Based on past experience and forward-looking estimates, the amounts are considered as recoverable.
- (d) Bills receivables are received from customers under ordinary course of business. All of the bills receivables are bank acceptance notes with a maturity period within six months.
- (e) As at 31 December 2024, included in other receivables is a promissory note as consideration received secured by share charge over the entire share capital of Central Property Group Ltd, interest bearing at 8% per annum and repayable at a principal sum of HK\$115,000,000 on or before 31 August 2025.
- (f) As at 31 December 2024, included in other receivables is a promissory note as consideration received secured by share charge over the entire share capital of Steer Vision Limited, interest bearing at 8% per annum and repayable at a principal sum of HK\$25,000,000 on or before 31 August 2025.
- (g) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.
- (h) Details of impairment assessment of trade receivables, bills receivables, other receivables and deposits for the years ended 31 December 2025 and 2024 are set out in Note 3.1.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. INVENTORIES

Inventories in the consolidated statements of financial position comprise:

	2025 HK\$'000	2024 HK\$'000
Raw materials	54,376	39,901
Working in process	35	14,682
Finished goods	124,650	102,562
	179,061	157,145

25. CASH AND BANK BALANCES/PLEDGED BANK DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Cash at banks	324,216	265,887
Cash on hand	—*	—
Cash and cash equivalents	324,216	265,887

Notes:

- (a) As at 31 December 2025, pledged bank deposits held at banks of approximately HK\$816,431,000 (2024: approximately HK\$824,863,000) were denominated in RMB, which were reserves provided for bills payables.
 - (b) As at 31 December 2025, included in cash and cash equivalents of the Group was approximately HK\$177,779,000 (2024: approximately HK\$263,658,000) of bank balances denominated in RMB placed with banks in the PRC, which are not freely convertible into other currencies.
 - (c) Cash at banks earns interest at floating rates based on daily bank deposit rates.
- * Less than HK\$1,000

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.000625 (2024: HK\$0.000625) each		
Authorised: At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	80,000,000	50,000
Issued and fully paid: At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	4,224,000	2,640

27. SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 13 March 2018 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants or advisors, substantial shareholder, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution to the development and growth of the Group.

The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share options schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders in general meeting provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. SHARE OPTION SCHEME *(Continued)*

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK\$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of ten years commencing on 13 March 2018, subject to early termination provisions contained in the Scheme.

No share options were granted since the adoption of the Scheme and there were no share option outstanding as at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Contract liabilities	444,287	50,605

As at 1 January 2024, contract liabilities amount to approximately HK\$65,269,000.

Included in contract liabilities as at 31 December 2025 were in relation to the types of service or goods as the followings: (i) amounted to nil (2024: approximately HK\$397,000) for installation of smart energy equipments services; (ii) amounted to approximately HK\$293,179,000 (2024: approximately HK\$50,208,000) for manufacturing and sales of photovoltaic products and EPC; and (iii) amounted to HK\$151,108,000 (2024: nil) for sales of healthcare products and healthy food.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	50,605	65,269

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	185,638	1,192
Within a period of more than one year but not exceeding two years	307,359	1,248
Within a period of more than two years but not exceeding five years	52,903	4,170
More than five years	72,025	4,979
	617,925	11,589
Less: Amount due for settlement within 12 months shown under current liabilities	(185,638)	(1,192)
Amount due for settlement after 12 months shown under non-current liabilities	432,287	10,397

The weighted average incremental borrowing rate applied to lease liabilities range from 2.3% to 6.1% (2024: 5.5%).

30. LIABILITIES FOR LONG SERVICE PAYMENTS

Under the Hong Kong Employment Ordinance, the Group is obligated to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations. The long service payments are paid out from the Group's cash at banks when such payments are required.

	Total HK\$'000
At 1 January 2024	1,104
Disposal of subsidiaries	(1,104)
At 31 December 2024, 1 January 2025 and 31 December 2025	–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	–	–
Deferred tax liabilities	–	–
	–	–

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the years are as follows:

	ECL provision HK\$'000	Accelerated tax depreciation HK\$'000	Land appreciation tax HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	765	(1,087)	(6,863)	(277)	309	(7,153)
Disposal of subsidiaries	(765)	1,087	6,676	–	–	6,998
Credited/(charged) to profit or loss (Note 10)	–	–	–	277	(309)	(32)
Exchange realignment	–	–	187	–	–	187
At 31 December 2024 and 1 January 2025	–	–	–	–	–	–
Credited/(charged) to profit or loss (Note 10)	–	–	–	499	(499)	–
At 31 December 2025	–	–	–	499	(499)	–

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to profits earned by the PRC subsidiaries amounting to approximately HK\$255,675,000 as at 31 December 2025 (2024: approximately HK\$505,215,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK\$147,884,000 (2024: approximately HK\$116,998,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of these estimated unused tax losses due to unpredictability of future profit streams. The losses may be carried forward indefinitely.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	1,538,605	799,335
Accruals and other payables	147,353	73,463
	1,685,958	872,798

Notes:

- (a) Payment terms granted by suppliers are generally 7 to 365 days (2024: 7 to 270 days) from the invoice date of the relevant purchases.
- (b) The ageing analysis of trade payables based on the invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	648,552	609,431
31–60 days	386,591	115,741
61–90 days	259,765	24,019
Over 90 days	243,697	50,144
	1,538,605	799,335

33. BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings — secured	788,019	863,023
Bank borrowings — unsecured	3,330	–
Other borrowings — unsecured	–	180,200
Bills payables with full recourse	1,137,115	937,081
	1,928,464	1,980,304

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. BORROWINGS (Continued)

	2025 HK\$'000	2024 HK\$'000
The carrying amounts of the above borrowings are repayable:		
Within one year	1,702,043	1,668,775
Within a period of more than one year but not exceeding two years	50,485	96,360
Within a period of more than two years but not exceeding five years	105,858	130,369
More than five years	70,078	84,800
	1,928,464	1,980,304
Less: Amount due for settlement within 12 months shown under current liabilities	(1,702,043)	(1,668,775)
Amount due for settlement after 12 months shown under non-current liabilities	226,421	311,529

The variable-rate bank borrowings of approximately HK\$295,663,000 (2024: approximately HK\$789,390,000) bear interest ranged from one year Loan Prime Rate ("LPR") plus 0.08% to 1.55% per annum and five years LPR plus 1.15% per annum issued by The People's Bank of China (2024: from one year LPR plus 0.15% to 1.70% per annum and five years LPR plus 0.90% to 1.15% per annum issued by The People's Bank of China and at HIBOR plus 0.55%).

The effective interest rates of the fixed-rate bank borrowings of approximately HK\$495,686,000 (2024: approximately HK\$73,633,000) bear interest at 3.0% per annum and ranged from one year LPR plus 0.2% to one year LPR minus 1.62% per annum issued by The People's Bank of China (2024: 3.05% per annum and ranged from one year LPR plus 1.75% to one year LPR minus 0.25% per annum issued by The People's Bank of China).

As at 31 December 2025, certain banking facilities of the Group were secured by corporate guarantees issued by the Company and personal guarantee provided by Mr. Yu Zhuyun, an executive director and the controlling shareholder of the Company. As at 31 December 2025, certain assets included in the property, plant and equipment of the Group with carrying amount of approximately HK\$694,712,000 (2024: approximately HK\$601,946,000) were pledged as security for certain of the Group's bank borrowings.

The other borrowings amounting approximately HK\$180,200,000 are unsecured and non-interest bearing in 2024.

The Group has complied with the financial covenants of its borrowings during the reporting period.

Borrowings that are denominated in currency other than the functional currency of the relevant group entities are set out below:

	2025 HK\$'000	2024 HK\$'000
HK\$	–	250,931
JPY	414,189	–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

a. Reconciliation of profit before income tax to net cash generated from/(used in) operations

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	82,292	56,283
Adjustments for:		
Depreciation of property, plant and equipment	133,416	140,482
Depreciation of right-of-use assets	57,398	1,599
Share of profit of an associate	(80)	–
Interest income	(17,979)	(9,864)
Reversal of impairment losses on trade receivables	–	(3,704)
Loss on fair value changes of investment properties	–	10,044
(Gain)/loss on fair value changes of financial assets at fair value through profit or loss	(319)	5
Net loss on fair value changes of derivative financial instruments at fair value through profit or loss	1,728	–
Net gains on disposal of subsidiaries	(19,871)	(52,901)
Net gains on deregistration of subsidiaries	–	(148)
Net (gain)/losses on disposal of property, plant and equipment	(22,048)	908
Finance costs	66,564	51,385
Operating profit before working capital changes	281,101	194,089
Increase in trade and other receivables	(1,214,167)	(280,828)
Decrease/(increase) in pledged bank deposits	8,204	(446,732)
(Increase)/decrease in inventories	(22,115)	46,290
Increase in contract liabilities	383,458	4,502
Increase in trade and other payables	865,628	115,512
Net cash generated from/(used in) operations	302,109	(367,167)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS *(Continued)*

b. Reconciliation of liabilities arising from financing activities:

	Amounts due to related companies	Borrowings	Lease liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	–	1,121,305	1,876	1,123,181
Finance costs	–	51,265	120	51,385
Financing cash flow	213,300	943,126	(1,959)	1,154,467
New leases entered	–	–	11,428	11,428
Disposal of subsidiaries	(31,680)	(94,520)	–	(126,200)
Deemed contribution from a shareholder from extinguished loan	(176,195)	–	–	(176,195)
Exchange adjustments	(5,425)	(40,872)	124	(46,173)
As at 31 December 2024 and 1 January 2025	–	1,980,304	11,589	1,991,893
Finance costs	–	48,489	18,075	66,564
Financing cash flow	301,184	(98,928)	(311,875)	(109,619)
New leases entered	–	–	891,539	891,539
Disposal of subsidiaries	(9,419)	–	–	(9,419)
Deemed contribution from a shareholder from extinguished loan	(300,131)	–	–	(300,131)
Exchange adjustments	8,366	(1,401)	8,597	15,562
As at 31 December 2025	–	1,928,464	617,925	2,546,389

35. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

Save as disclosed in Notes 33 to this report, the Group had the following significant related party transactions during the years are as follows:

- i. The emoluments of the directors and senior executives (representing the key management personnel) during the years ended 31 December 2025 and 2024 are disclosed in Note 9.

36. CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2025

i. Disposal of Central Ke Chuang Investment Group (HK) Limited and its subsidiaries

In June 2025, the Group disposed of its entire equity interests of Central Ke Chuang Investment Group (HK) Limited and its subsidiary (collectively named “**Central Ke Chuang**”), indirect wholly-owned subsidiaries of the Company, for HK\$7,990,000 consideration to a third party. The aggregated net liabilities of Central Ke Chuang as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Current assets	
Financial assets at fair value through profit or loss	3
Trade and other receivables	1,166
Cash and bank balances	1,029
Current liability	
Trade and other payables	(7,618)
Net liabilities disposal of	(5,420)

Gain on disposal of Central Ke Chuang

	HK\$'000
Consideration received and receivable	7,990
Net liabilities disposed of	5,420
Reclassification of cumulative translation reserve upon disposal of Central Ke Chuang to profit or loss	81
Gain on disposal	13,491

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Central Ke Chuang

	HK\$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(1,029)
Net cash outflow	(1,029)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2025 (Continued)

ii. Disposal of Central Logistic Group Limited and its subsidiaries

In November 2025, the Group disposed of its entire equity interests of Central Logistic Group Limited and its subsidiary (collectively named “**Central Logistic Group**”), indirect wholly-owned subsidiaries of the Company, for HK\$5,000,000 consideration to a third party. The aggregated net liabilities of Central Logistic Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Non-current assets	
Property, plant and equipment	10
Current assets	
Trade and other receivables	73,335
Tax recoverable	140
Inventories	791
Cash and bank balances	875
Current liabilities	
Contract liabilities	(416)
Trade and other payables	(66,827)
Amount due to related companies	(9,419)
Net liabilities disposal of	(1,511)

Gain on disposal of Central Logistic Group

	HK\$'000
Consideration received and receivable	5,000
Net liabilities disposed of	1,511
Reclassification of cumulative translation reserve upon disposal of Central Logistic Group to profit or loss	(131)
Gain on disposal	6,380

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Central Logistic Group

	HK\$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(875)
Net cash outflow	(875)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024

iii. Disposal of Central Services Group (HK) Co., Limited and its subsidiaries

In June 2024, the Group disposed of its entire equity interests of Central Services Group (HK) Co., Limited and its subsidiary (collectively named “**Central Services Group**”), indirect wholly-owned subsidiaries of the Company, for nil consideration to a third party. The aggregated net liabilities of Central Services Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Non-current assets	
Property, plant and equipment	39
Current assets	
Trade and other receivables	7,522
Cash and bank balances	1,281
Current liabilities	
Trade and other payables	(31,096)
Tax payables	(109)
Borrowings	(2,140)
Non-current liability	
Borrowings	(5,350)
Net liabilities disposal of	(29,853)

Gain on disposal of Central Services Group

	HK\$'000
Cash consideration received	–
Net liabilities disposed of	29,853
Goodwill	(217)
Reclassification of cumulative translation reserve upon disposal of Central Services Group to profit or loss	(450)
Gain on disposal	29,186

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Central Services Group

	HK\$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(1,281)
Net cash outflow	(1,281)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

iv. Disposal of Steer Vision Limited and its subsidiary

In August 2024, the Group disposed of the entire equity interests of Steer Vision Limited and its subsidiary (collectively named "Steer Vision Group"), direct wholly-owned subsidiaries of the Company, for consideration of HK\$25,000,000 to a third party. The aggregated net assets of the Steer Vision Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Non-Current assets	
Property, plant and equipment	7,551
Deposit and prepayment for life insurance policy	3,415
Current assets	
Contract assets	47,927
Trade and other receivables	16,218
Tax recoverable	548
Cash and bank balances	555
Current liabilities	
Trade and other payables	(7,657)
Borrowings	(58,000)
Non-current liabilities	
Liabilities for long service payments	(1,104)
Deferred tax liabilities	(322)
Net assets disposal of	9,131

Gain on disposal of Steer Vision Group

	HK\$'000
Consideration received in promissory note (Note)	25,000
Net assets disposed of	(9,131)
Gain on disposal	15,869

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Steer Vision Group

	HK\$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(555)
Net cash outflow	(555)

Note: The promissory note with principal sum amounted HK\$25,000,000 will be settled fully in cash by the purchaser on or before 31 August 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

v. Disposal of 安徽中之環建築工程有限公司 Anhui Zhongzhihuan Construction Engineering Co., Ltd* (“Anhui Zhongzhihuan Construction”)

In October 2024, the Group disposed of its entire equity interests of Anhui Zhongzhihuan Construction, an indirect wholly-owned subsidiary of the Company, for nil consideration to a third party. The aggregated net assets of Anhui Zhongzhihuan Construction as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Non-current assets	
Intangible assets	2,747
Current assets	
Contract assets	64,315
Trade and other receivables	59,373
Tax recoverable	111
Cash and bank balances	24
Current liabilities	
Contract liabilities	(17,154)
Trade and other payables	(74,849)
Dividend payables	(24,852)
Borrowings	(7,630)
Net assets disposal of	2,085

Loss on disposal of Anhui Zhongzhihuan Construction

	HK\$'000
Cash consideration received	–
Net assets disposed of	(2,085)
Reclassification of cumulative translation reserve upon disposal of Anhui Zhongzhihuan Construction to profit or loss	119
Loss on disposal	(1,966)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

v. Disposal of 安徽中之環建築工程有限公司 Anhui Zhongzhihuan Construction Engineering Co., Ltd* (“Anhui Zhongzhihuan Construction”) (Continued)

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Anhui Zhongzhihuan Construction

	HK\$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(24)
Net cash outflow	(24)

vi. Disposal of Central Property Group Ltd and its subsidiary

In November 2024, the Group disposed of the entire equity interests of Central Property Group Limited and its subsidiary (collectively named “Central Property Group”), direct wholly-owned subsidiaries of the Company, for consideration of HK\$115,000,000 to a third party. The aggregated net assets of the Central Property Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Non-current assets	–
Property, plant and equipment	79
Investment properties	206,296
Current assets	
Properties available for sale	23,115
Trade and other receivables	13,949
Cash and bank balances	68
Current liabilities	
Trade and other payables	(44,335)
Dividend payable	(44,969)
Amounts due to related companies	(31,680)
Borrowings	(21,400)
Non-current liability	
Deferred tax liabilities	(6,676)
Net assets disposal of	94,447

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

vi. Disposal of Central Property Group Ltd and its subsidiary (Continued)

Gain on disposal of Central Property Group

	HK\$'000
Consideration received in promissory note (Note)	115,000
Net assets disposed of	(94,447)
Reclassification of cumulative translation reserve upon disposal of Central Property Group to profit or loss	(11,225)
Gain on disposal	9,328

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Central Property Group

	HK\$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(68)
Net cash outflow	(68)

Note: The promissory note with principal sum amounted HK\$115,000,000 will be settled fully in cash by the purchaser on or before 31 August 2025.

vii. Disposal of 中環鑫信匯(衢州)貿易有限公司 Zhonghuan Xinxinhui (Quzhou) Trading Co., Ltd* (“Xinxinhui”)

In December 2024, the Group disposed its entire equity interests of Xinxinhui, an indirect wholly-owned subsidiary of the Company, for consideration of approximately RMB20,000,000 (equivalent to approximately HK\$21,800,000) to a third party. The aggregated net assets of Xinxinhui as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Current assets	
Trade and other receivables	42,505
Cash and bank balances	495
Current liabilities	
Trade and other payables	(21,535)
Dividend payable	(2,478)
Net assets disposal of	18,987

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

vii. Disposal of 中環鑫信匯(衢州)貿易有限公司 Zhonghuan Xinxinhui (Quzhou) Trading Co., Ltd* ("Xinxinhui") (Continued)

Gain on disposal of Xinxinhui

	HK\$'000
Cash consideration received	21,800
Net assets disposed of	(18,987)
Reclassification of cumulative translation reserve upon disposal of Xinxinhui to profit or loss	(2,333)
Gain on disposal	480

Analysis of net inflow of cash and cash equivalents in respect of the disposal of Xinxinhui

	HK\$'000
Consideration received in cash	21,800
Less: cash and cash equivalents disposed	(495)
Net cash inflow	21,305

viii. Disposal of 上海中環雲彩萬物供應鏈有限公司 Shanghai Zhonghuan Yuncai Wanwu Supply Chain Co., Ltd. ("Shanghai Zhonghuan Yuncai")

In November 2024, the Group disposed its entire equity interests of Shanghai Zhonghuan Yuncai, an indirect wholly-owned subsidiary of the Company, for nil consideration to a third party. The aggregated net liabilities of Shanghai Zhonghuan Yuncai as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Current assets	
Cash and bank balances	29
Current liabilities	
Other payables	(33)
Net liabilities disposal of	(4)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

viii. Disposal of 上海中環雲彩萬物供應鏈有限公司 Shanghai Zhonghuan Yuncai Wanwu Supply Chain Co., Ltd. ("Shanghai Zhonghuan Yuncai") (Continued)

Gain on disposal of Shanghai Zhonghuan Yuncai

	HK\$'000
Cash consideration received	–
Net liabilities disposed of	4
Reclassification of cumulative translation reserve upon disposal of Shanghai Zhonghuan Yuncai to profit or loss	–**
Gain on disposal	4

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Shanghai Zhonghuan Yuncai

	HK\$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(29)
Net cash outflow	(29)

* English translation of the name of a Chinese company is provided for identification purpose only.

** Less than HK\$1,000.

38. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment and right-of-use assets contracted for but not provided in the consolidated financial statements	222,623	842,687
Contracted but not provided for formation of an associate	3	–
	222,626	842,687

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position

	2025 HK\$'000	2024 HK\$'000
ASSETS		
Non-current assets		
Investment in subsidiaries	840	850
Right-of-use assets	3,029	–
	3,869	850
Current assets		
Other receivables	66	140,075
Amounts due from subsidiaries	2,198,245	434,863
Cash and cash equivalents	95,353	1,092
	2,293,664	576,030
Total assets	2,297,533	576,880
EQUITY		
Capital and reserves		
Share capital	2,640	2,640
Reserves	873,670	571,475
Total equity	876,310	574,115
LIABILITIES		
Non-current liability		
Lease liabilities	1,742	–
Current liabilities		
Other payables	2,506	2,037
Amounts due to subsidiaries	1,415,462	728
Lease liabilities	1,513	–
	1,419,481	2,765
Total liabilities	1,421,223	2,765
Total equity and liabilities	2,297,533	576,880
Net current assets	874,183	573,265
Total assets less current liabilities	878,052	574,115

The financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026 and signed on its behalf by:

Mr. Yu Zhuyun
Director

Mr. Li Menglin
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(b) Reserve movement

	Share premium HK\$'000	Contributed surplus HK\$'000	(Accumulated losses)/ retained earnings HK\$'000	Total HK\$'000
Balance at 1 January 2024	88,276	293,709	(65,848)	316,137
Profit and total comprehensive income for the year	–	–	79,143	79,143
Deemed contribution from a shareholder from extinguished loans	–	176,195	–	176,195
Balance at 31 December 2024 and 1 January 2025	88,276	469,904	13,295	571,475
Profit and total comprehensive income for the year	–	–	2,431	2,431
Deemed contribution from a shareholder from extinguished loans	–	299,764	–	299,764
Balance at 31 December 2025	88,276	769,668	15,726	873,670

Financial Summary

The financial summary of the Group for the current year and last five financial years/period is set as follows:

RESULTS

	For the year ended 31 December 2025 HK\$'000	For the year ended 31 December 2024 HK\$'000	For the year ended 31 December 2023 HK\$'000	For the year ended 31 December 2022 HK\$'000	For the nine months ended 31 December 2021 HK\$'000
Revenue	11,016,846	6,032,026	4,028,299	1,613,641	1,086,236
Direct costs	(10,806,353)	(5,904,261)	(3,855,486)	(1,582,543)	(1,034,470)
Gross profit	210,493	127,765	172,813	31,098	51,766
Other income and net gains	122,845	182,699	18,811	37,866	41,413
(Loss)/gain on fair value changes of investment properties	–	(10,044)	5,185	(7,308)	45,254
Share of profit of an associate	80	–	–	–	–
Gain on disposal of investment properties	–	–	1,637	–	–
Selling expenses	(20,097)	(19,992)	(9,448)	(3,604)	(8,257)
Administrative and other operating expenses	(164,465)	(172,760)	(80,955)	(83,542)	(47,224)
Finance costs	(66,564)	(51,385)	(25,190)	(5,520)	(3,413)
Profit/(loss) before income tax	82,292	56,283	82,853	(31,010)	79,539
Income tax (expense)/credit	(21,558)	(2,185)	(11,564)	682	(19,253)
Profit/(loss) for the year/period	60,734	54,098	71,289	(30,328)	60,286
Other comprehensive income/(expense), net of tax	85,869	(35,054)	(15,746)	(24,324)	7,365
Total comprehensive income/(expense) for the year/period attributable to owners of the Company	146,603	19,044	55,543	(54,652)	67,651
Profit/(loss) attributable to:					
Owners of the Company	34,240	106,393	66,323	(27,843)	61,985
Non-controlling interests	26,494	(52,295)	4,966	(2,485)	(1,699)
Profit/(loss) for the year/period	60,734	54,098	71,289	(30,328)	60,286
Total comprehensive income/(expense) attributable to:					
Owners of the Company	90,832	90,031	54,125	(41,756)	67,887
Non-controlling interests	55,771	(70,987)	1,418	(12,896)	(236)
Total comprehensive income/(expense)	146,603	19,044	55,543	(54,652)	67,651
	As at 31 December 2025 HK\$'000	2024 HK\$'000	As at 31 December		2021 HK\$'000
			2023 HK\$'000	2022 HK\$'000	
Non-current assets	2,511,912	1,435,560	1,384,974	321,332	297,185
Current assets	4,238,248	3,041,055	2,111,310	1,169,706	474,996
Non-current liabilities	658,708	321,926	296,720	407,334	148,209
Current liabilities	4,043,114	2,615,015	1,888,329	895,531	392,758
Equity attributable to owners of the Company	1,507,723	1,116,756	850,530	188,292	230,048
Non-controlling interests	540,615	422,918	460,705	(119)	1,166
Total equity	2,048,338	1,539,674	1,311,235	188,173	231,214