

亞洲能源物流
ASIAENERGY
Logistics

2025
ANNUAL REPORT

亞洲能源物流集團有限公司
ASIA ENERGY LOGISTICS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Code : 351



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Pang Yuet (*Chairman*)
Mr. Sun Peng
Mr. Wang Jizhuo

Non-Executive Director

Ms. Liu Siyuan

Independent Non-Executive Directors

Mr. Ng Kwun Wan
Mr. Wong Cheuk Bun
Mr. Hon Ming Sang

AUTHORISED REPRESENTATIVES

Mr. Pang Yuet
Mr. Poon Pok Man Coca

COMPANY SECRETARY

Mr. Poon Pok Man Coca, *FCPA, ACG, HKACG*

AUDIT COMMITTEE

Mr. Ng Kwun Wan (*Chairman*)
Mr. Wong Cheuk Bun
Mr. Hon Ming Sang

REMUNERATION COMMITTEE

Mr. Ng Kwun Wan (*Chairman*)
Mr. Wong Cheuk Bun
Mr. Hon Ming Sang

NOMINATION COMMITTEE

Mr. Ng Kwun Wan (*Chairman*) (*Appointed on 16 March 2026*)
Mr. Wong Cheuk Bun
Ms. Liu Siyuan (*Appointed on 16 March 2026*)
Mr. Pang Yuet (*Ceased to be the chairman on 16 March 2026*)

EXECUTIVE COMMITTEE

Mr. Pang Yuet (*Chairman*)
Mr. Sun Peng

PRINCIPAL BANKERS

CMB Wing Lung Bank Ltd.
Industrial Bank Co., Ltd. Hong Kong Branch

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor

SHARE REGISTRAR

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

REGISTERED OFFICE

Suite 802-803, 8/F
One Pacific Place
88 Queensway
Hong Kong

HONG KONG STOCK EXCHANGE STOCK CODE

351

WEBSITE

<https://www.aelg.com.hk>

Management Discussion and Analysis

BUSINESS REVIEW

During the year under review, the Group was principally engaged in the (i) shipping and logistics business; (ii) telecommunications related business; (iii) e-commerce trading business; and (iv) industrial intelligent robotic solutions in the PRC.

Continuing Operations

Shipping and Logistics

The Group currently operates one dry bulk carrier trading worldwide. The total carrying capacity of the Group's dry bulk fleet is about 32,000 dwt (2024: about 32,000 dwt). The vessel of the Group was under full employment throughout the year under review.

The Group entered into charter contract with the charterer at a new charter rate which is significantly lower than the previous rate and the charter contract has become effective since July 2024.

For the year under review, the Group recorded a revenue of approximately HK\$28,968,000 (2024: approximately HK\$36,101,000), representing a decrease of approximately 20% as compared to the corresponding period in 2024. The gross profit was approximately HK\$4,347,000 (2024: approximately HK\$6,545,000), representing a decrease of approximately 34% as compared to the corresponding period in 2024. The decrease in revenue and gross profit was mainly affected by the decrease in charter rate of the vessel as aforesaid.

Telecommunications Related Business

The telecommunications related business of the Group are mainly provision of SMS services and telecommunication network solutions. For the year under review, the Group recorded a revenue of approximately HK\$26,465,000 (2024: approximately HK\$5,801,000), representing an increase of approximately 356% as compared to the corresponding period in 2024. The increase in revenue was due to the successful acquisition of new customers of telecommunication network solutions business.

The gross profit was approximately HK\$567,000 (2024: approximately HK\$371,000), representing an increase of approximately 53% as compared to the corresponding period in 2024. The increase in gross profit was mainly due to increase in revenue as aforesaid.

E-commerce Trading Business

The Group recorded a revenue of approximately HK\$5,990,000 (2024: approximately HK\$6,240,000), representing a decrease of approximately 4% as compared to the corresponding period in 2024. The decrease in revenue was primarily attributable to the keen market competition.

The gross profit was approximately HK\$12,000 (2024: approximately HK\$13,000), representing a decrease of approximately 8% as compared to the corresponding period in 2024. The decrease in gross profit was mainly due to the lower profit margin of the goods sold.

Management Discussion and Analysis

Industrial Intelligent Robotic Solutions

The Group has expanded its industrial intelligent robotic solutions to an existing customer of the telecommunications network solutions business since the fourth quarter of 2025. For the year under review, the Group recorded a revenue of approximately HK\$174,000 and a gross profit of approximately HK\$10,000.

Discontinued Operation

On 23 May 2024, the Group and a purchaser, independent third party, entered into the memorandum of agreement pursuant to which the Group conditionally agreed to sell and the purchaser conditionally agreed to purchase the Vessel at the consideration of US\$9,500,000 (equivalent to approximately HK\$74,100,000). The disposal was then completed in August 2024. Accordingly, the result of the Vessel was presented as discontinued operation for the year ended 31 December 2024.

PROSPECTS

Shipping and Logistics

The dry bulk shipping market faces a mixed outlook of resilient demand and mounting supply-side pressures, while the impact of geopolitical dynamics continues.

Global trade in commodities remains strong, driven by Asia-Pacific's industrial needs and South America's expanding agricultural exports. However, a record influx of vessel deliveries threatens to outpace demand, creating freight rate volatility and squeezing profitability. At the same time, stricter environmental regulations under IMO's decarbonization agenda are raising compliance costs and accelerating the push toward efficiency upgrades.

Geopolitical uncertainties, including regional conflicts, shifting trade alliances and tariff regimes, add further unpredictability to cargo flows and port access.

The Company will be in close watch of the market conditions and adopt flexible charter strategies, focus on high-growth trade corridors to capture opportunities in an otherwise challenging and politically complex market environment.

Telecommunications Related Business

The traditional SMS business has faced increasing challenges due to stricter regulatory policies and the evolving business models of our customers. These changes have impacted traditional messaging volumes and reshaped demand patterns across the industry.

The Company is strengthening its efforts to explore new customer bases and develop innovative solutions that build upon its telecommunications expertise. By diversifying its offerings and expanding into adjacent services, the Company aims to mitigate the impact of legacy segment challenges while unlocking new growth opportunities. This approach ensures that the Company continues to deliver value to both existing and new customers, reinforcing its role as a trusted technology partner.

Management Discussion and Analysis

E-commerce Trading Business

China's e-commerce market is enormous in scale, but profitability is a persistent challenge. The sector is characterized by fierce competition, with established giant platforms battling against newer entrants. This intensity drives down margins, as platforms rely heavily on discounts, subsidies, and free shipping to attract and retain customers. Consumer expectations for low prices and constant promotions further erode profitability, while customer acquisition costs remain high due to the crowded digital landscape. Even the largest players often depend more on ancillary services, namely advertising, fintech, logistics, or cloud, than on core retail operations to generate sustainable earnings.

In essence, while the market offers unmatched reach and growth potential, it is structurally oriented toward volume rather than profit, making sustainable returns elusive unless differentiated strategies are pursued. Recognizing these realities, the Company will adopt a prudent approach, leveraging existing resources to develop its e-commerce trading business with discipline and selectivity.

Industrial Intelligent Robotic Solutions

In 2025, the Company expanded from its established telecommunications solutions business into the provision of industrial intelligent robotic solutions. This strategic development reflects its ability to evolve with customer needs, transforming trusted relationships into new opportunities for innovation and growth.

By integrating robotics with telecommunication infrastructure, the Company provides seamless, intelligent systems that enhance efficiency, precision, and safety across industrial operations. Early deployments have already demonstrated measurable productivity gains and cost savings, reinforcing customer loyalty while opening new revenue streams.

Looking ahead, it is anticipated that this expansion will accelerate growth, diversify its business portfolio, and position us at the forefront of industrial innovation. With rising demand for automation, strengthening the integration of telecommunications and robotics creates a unique advantage as the Company continues to support clients in their digital transformation journey.

The Directors will continuously look for suitable investment opportunities which will bring in synergy with and positive contributions to the existing businesses.

Management Discussion and Analysis

FINANCIAL REVIEW

For the year under review, the revenue from continuing operations of the Group was approximately HK\$61,597,000 (2024: approximately HK\$48,142,000), representing an increase of approximately 28% as compared to the corresponding period in 2024. The increase in revenue was mainly contributed by the increase in the revenue of telecommunication related business.

The Group recorded a loss for the year under review of approximately HK\$25,747,000 (2024: approximately HK\$30,713,000) representing a decrease of approximately 16% as compared to the corresponding period in 2024. The decrease in loss was mainly attributable to (i) the decrease in staff costs and operating expenses, (ii) the disposal of the Vessel in 2024, and (iii) the change in fair value of financial assets at fair value through profit or loss.

For the year under review, the basic and diluted loss per Share from continuing operations was HK1.29 cents (2024: HK2.60 cents) whilst the basic and diluted earnings per Share from discontinued operation was HK Nil cents (2024: HK1.09 cents).

Financial assets at fair value through profit or loss (FVPL)

Below is an analysis of the financial assets at FVPL held by the Group as at 31 December 2025:

Name/(Stock code)	Principal businesses	Investment costs	% of shares held	Fair value	% to the Group's total assets	Unrealised (loss)/gain for the year ended 31 December 2025
			%	HK\$'000	%	HK\$'000
Value Convergence Holdings Limited (821) – convertible bonds	Finance	HK\$8,000,000	N/A	7,560	5.10%	(868)
Value Star Non-US Feeder Fund	Equity Investment	US\$1,000,000	N/A	7,929	5.35%	149
				15,489	10.45%	(719)

The portfolio of the financial assets at FVPL consisted of investments in convertible bonds issued by a Hong Kong listed company and an equity fund managed by a licensed asset management corporation as at 31 December 2025. No dividend income was received by the Group from its investments.

The objective of the investments is to achieve profit from the appreciation of the market value of its investment portfolio. The Directors expect that the global stock market will remain volatile which may affect the performance of the investments. The Board believes that the performance of the investment portfolio will be dependent on the market conditions, which are affected by factors, such as interest rate movements and performance of the macro economy. The Group will continue to adopt a conservative investment approach and closely monitor the performance of its investment portfolio.

Management Discussion and Analysis

Liquidity, Financial Resources and Gearing Ratio

As at 31 December 2025, the Group had:

1. Cash and bank balances of approximately HK\$55,691,000 (2024: approximately HK\$62,772,000);
2. Total equity attributable to owners of the Company of approximately HK\$136,752,000 (2024: approximately HK\$162,229,000);
3. Net current assets of approximately HK\$72,579,000 (2024: approximately HK\$90,537,000);
4. Current ratio (being current assets over current liabilities) of approximately 733% (2024: approximately 1,139%); and
5. Gearing ratio (being total debt divided by total equity) of approximately 8% (2024: approximately 6%).

Share Capital

As at 31 December 2025, there were 1,994,975,244 Shares in issue (2024: 1,994,975,244 Shares).

Capital Commitments

As at 31 December 2025, the Group had no capital commitment (2024: Nil).

Exposure to Fluctuation in Exchange Rates

The Group's assets, liabilities and transactions are mainly denominated either in US dollar, Hong Kong dollar or Renminbi. As the exchange rate of the US dollar to Hong Kong dollar is relatively stable due to the Hong Kong dollar is pegged to the US dollar, the Directors consider that the Group's currency exchange risk is within the acceptable range. Therefore, no hedging devices or other alternatives have been implemented.

Pledge of Assets and Contingent Liabilities

As at 31 December 2025, the Group did not have any pledge of assets and contingent liabilities (2024: Nil).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for those disclosed above and in the sections headed "Business Review" and "Prospects", there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the year under review.

As at the date of this Annual Report, save as disclosed herein, there was no plan authorized by the Board for any material investments or additions of capital assets.

Management Discussion and Analysis

EMPLOYEE

As at 31 December 2025, the Group had 27 (2024: 19) full-time employees in Hong Kong and the PRC.

Staff costs (including Directors' remuneration) of the Group for the year ended 31 December 2025 were approximately HK\$11.4 million (2024: HK\$21.1 million). The Group decides the remunerations and compensation payable to its staff based on their duties, working experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees. The Group also participated in an approved Mandatory Provident Fund Scheme and the retirement benefit scheme for its Hong Kong and the PRC employees respectively.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company is committed to environmental protection and sustainable development through the adoption and promotion of green policies in its business operations to increase staff's awareness on environmental protection and energy conservation. Information on the environmental policies and performance of the Group is set out in the section headed "Environmental, Social and Governance Report" on pages 41 to 85 of this Annual Report.

Directors' Profile

EXECUTIVE DIRECTORS

Mr. Pang Yuet ("Mr. Pang")

Mr. Pang, aged 59, has been appointed as the Chairman and Executive Director since 14 July 2020. He currently holds directorships in a number of subsidiaries of the Group. He graduated from People's Public Security University of China with a bachelor degree and Cheung Kong Graduate School of Business with a MBA degree. Mr. Pang has over 20 years of experience in the field of financial investment. Mr. Pang served as the vice general manager and board chairman of Yinhua Fund Management Company Limited from 2001 to 2003 and 2003 to 2012 respectively. From 2012 to 2015, he served as a partner of Boxin (Tianjin) Equity Investment Management Partnership (Limited Partnership). From 2015 to 2019, he served as board chairman of Boxin Fund Management Co., Limited. Mr. Pang has sound experience and strong relationship in financial industry. Mr. Pang is a cousin of Mr. Sun Peng, an ED and Ms. Liu Siyuan, a NED, is the daughter-in-law of the brother of his spouse.

Mr. Sun Peng ("Mr. Sun")

Mr. Sun, aged 55, has been appointed as the Executive Director since 30 October 2020. Mr. Sun received his bachelor degree in arts from Shenyang University in 1994. He starts his career as an instructor in Shenyang Foreign Language School from August 1994 to October 1998. After that, Mr. Sun joined 誠成企業(深圳)有限公司 (Shingsing Enterprise (Shenzhen) Limited*) as an assistant to the general manager in October 1998. Later on, in May 2002, he was appointed as the deputy general manager of 北京棕櫚泉置業有限公司 (Beijing Palm Springs Properties Company Limited*), where he worked till June 2008 before he joined 北京佳宏科技發展有限公司 (Beijing Jiahongke Technology Development Limited*) as general manager in July 2008, and in between, during 23 July 2008 and 6 February 2009, Mr. Sun was also an executive director of Richly Field China Development Limited (stock code: 313). Mr. Sun is a cousin of Mr. Pang.

Mr. Wang Jizhuo ("Mr. Wang")

Mr. Wang, aged 49, has been appointed as the Executive Director since 13 September 2024. Mr. Wang graduated from 北京信息工程專修學院 (Beijing Institute of Information Engineering) majoring in business administration in July 1999. Mr. Wang has rich experience and knowledge in real estate development and operation, property sector as well as the cultural tourism industry in the PRC.

NON-EXECUTIVE DIRECTOR

Ms. Liu Siyuan ("Ms. Liu")

Ms. Liu, aged 36, has been appointed as the Non-executive Director since 18 July 2024. Ms. Liu graduated from King's College London with a bachelor degree of engineering in engineering with business management in June 2012 and a master degree of science in robotics in June 2013. She has over 10 years of experience in business management, risk management and strategic planning.

During the period from July 2014 to July 2019, Ms. Liu worked at Ping An Bank Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: SZ.000001), where she last served as a product manager in the solution strategy center of the real estate finance department, responsible for establishing financial analysing model for real estate developers. Since September 2019, Ms. Liu has been a director in 深圳市華遠強建築工程有限公司 (Shenzhen Huayuanqiang Construction Limited*), where she is primarily responsible for operations management, investment planning and financial analysis. She is the daughter-in-law of the brother of the spouse of Mr. Pang.

* For identification purpose only

Directors' Profile

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Kwun Wan ("Mr. Ng")

Mr. Ng, aged 62, has been appointed as the Independent Non-executive Director since 14 July 2020. Mr. Ng obtained the Bachelor of Arts in Accounting and Finance from the Manchester Polytechnic in 1988 and the Master of Commerce majoring in Accounting from the University of New South Wales in 1990. He has been an associate member of the HKICPA since 1993. Mr. Ng has over 20 years of experience in the management, accounting and finance industry. From November 1994 to August 2004, Mr. Ng worked for New World Development (China) Limited and New World China Enterprises Projects Limited, both wholly-owned subsidiaries of New World Development Company Limited (stock code: 17), and his last position held was deputy general manager. From September 2006 to March 2009, he worked as the general manager of industrial operations in the real estate department of Smart Faith Management Limited, a subsidiary of South China Holdings Company Limited (stock code: 413). From December 2021 to December 2024, he was an independent non-executive director of CT Vision S.L. (International) Holdings Limited (stock code: 994).

Mr. Ng currently acts as independent non-executive director of various listed companies in Hong Kong, including: China Boton Group Company Limited (stock code: 3318), Zhongzhi Pharmaceutical Holdings Limited (stock code: 3737) and Sunray Engineering Group Limited (stock code: 8616).

Mr. Wong Cheuk Bun ("Mr. Wong")

Mr. Wong, aged 51, has been the Independent Non-executive Director since 3 July 2017. He is a practising certified public accountant and currently an adjunct lecturer specialising in accounting and finance areas in various tertiary institutions in Hong Kong and mainland China. Mr. Wong received a Master degree of Professional Accounting from the Hong Kong Polytechnic University.

He is currently an associate member of the HKICPA, The Chartered Governance Institute and The Hong Kong Chartered Governance Institute and a fellow member of the Association of Chartered Certified Accountants. Mr. Wong has over 20 years of diversified experience in accounting and finance and has recently been invited as a guest speaker to various organizations and media, including banks, trust companies, and insurance companies, to deliver professional presentations on key points and features of UK taxation.

* For identification purpose only

Directors' Profile

Mr. Hon Ming Sang ("Mr. Hon")

Mr. Hon, aged 47, Committee Member of the 11th Luoding Committee of the Chinese People's Political Consultative Conference, has been appointed as the Independent Non-executive Director since 6 November 2020. Mr. Hon obtained an honor degree of Professional Accountancy in the School of Accountancy from The Chinese University of Hong Kong. He is a CFA charterholder. He is also a member of The Hong Kong Society of Financial Analysts and the HKICPA, a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

Mr. Hon has previously worked in an international audit firm and has over 16 years of working experience in listed companies and financial institutions. He has extensive experience in corporate finance, merger and acquisition, investment and financial management and compliance services. Mr. Hon is currently the chief financial officer and company secretary of China Gas Industry Investment Holdings Co. Ltd. (stock code: 1940). From 7 February 2017 to 15 August 2022, he was an executive director and company secretary of SFund International Holdings Limited.

He also acts as an independent non-executive director of various listed companies in Hong Kong, including: InvesTech Holdings Limited (stock code: 1087), Virtual Mind Holdings Company Limited (stock code: 1520), Finsoft Financial Investment Holdings Limited (stock code: 8018) and Alman Limited (Stock Code: 8186).

Directors' Report

The Board is pleased to present this Annual Report together with the Consolidated Financial Statements of the Group for the year ended 31 December 2025.

CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

The Company is a public company incorporated in Hong Kong with limited liability. The Company acts as an investment holding company. The principal activities and other particulars of its principal subsidiaries are set out in Note 33 to the Consolidated Financial Statements. The analysis of segment information of the Group during the year is set out in Note 5 to the Consolidated Financial Statements.

BUSINESS REVIEW

A fair review of the Group's business and a discussion and analysis of the Group's performance during the year including the material factors underlying its results and financial position and the likely future developments of its business, in accordance with Section 388 of, and Schedule 5 to the Companies Ordinance, is set out in the section headed "Management Discussion and Analysis" ("MD&A") of this Annual Report. An analysis of the Group's performance using financial key performance indicators is provided in the section headed "Financial Review" included in the MD&A of this Annual Report.

A discussion covers the Group's strategic approach to sustainability and performance in environmental and social aspects of its business, environmental key performance indicators as well as an account of the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group's operations and on which the Group's success depends are set out in the section headed "Environmental, Social and Governance Report" of this Annual Report.

The Group has established systems and procedures to ensure compliance with relevant laws and regulations which have significant impact on the Group in conducting its business, including but not limited to Personal Data (Privacy) Ordinance, Employment Ordinance, Occupational Safety and Health Ordinance, Prevention of Bribery Ordinance, Companies Ordinance, Listing Rules and SFO in Hong Kong, Employment Law and Environmental Protection Law as well as all other applicable laws in the PRC, its compliance of which is set out in the sections headed "Environmental, Social and Governance Report" and "Corporate Governance Report" of this Annual Report. All of the above sections form part of this Directors' Report.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the section headed "Consolidated Statement of Comprehensive Income" on pages 91 to 92 of this Annual Report. No interim dividend was paid to the Shareholders during the year (2024: Nil). The Directors did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the Consolidated Financial Statements is set out on page 161 of this Annual Report. This summary does not form part of the Consolidated Financial Statements.

Directors' Report

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the section headed "Consolidated Statement of Changes in Equity" on page 95 of this Annual Report and Note 32(a) to the Consolidated Financial Statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company did not have any reserves available for distribution to Shareholders as calculated in accordance with the provisions of section 297 of the Companies Ordinance.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 15 to the Consolidated Financial Statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 23 to the Consolidated Financial Statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

BANK LOANS AND OTHER BORROWINGS

As at 31 December 2025, the Group had no bank loans and other borrowings.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer accounted for approximately 47.0% of the Group's revenue of the year under review and approximately 74.3% of the total revenue of the Group of the year under review was attributable to the Group's top five customers.

The percentage of cost of revenue of the Group attributable to the five largest suppliers combined is less than 30%.

None of the Directors, their close associates or any Shareholders (which to the best of the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in the Group's major customers or suppliers noted above.

Directors' Report

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes that good relationships with its employees, customers and suppliers are keys to its success. The Group maintains caring relationship with its employees and good partnership with its suppliers with an aim to providing the best service to its customers.

DIRECTORS OF SUBSIDIARIES

A list of the names of the directors of the Company's subsidiaries during the year and up to the date of this Annual Report can be found in the Company's website at <https://www.aelg.com.hk>.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The composition of the Board during the year ended 31 December 2025 and up to the date of this Annual Report are set out in the section headed "Corporate Governance Report" of this Annual Report.

The Company has received annual confirmation from each of the three INEDs (namely, Mr. Ng Kwun Wan, Mr. Wong Cheuk Bun and Mr. Hon Ming Sang) with regard to their independence and considers that the INEDs to be independent during the year under review.

During the year under review, each Director has a service agreement with the Company for a term of three years and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' BIOGRAPHIES

Biographical details of the current Directors are set out in the section headed "Directors' Profile" on pages 9 to 11 of this Annual Report.

DIRECTORS' INTERESTS IN CONTRACTS AND COMPETING BUSINESS

Save as disclosed under the section headed "Directors and Directors' Service Contracts" of this Directors' Report and in Note 26 to the Consolidated Financial Statements, no contract of significance in relation to the Group's businesses to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

For the year ended 31 December 2025, none of the Directors had any interest in any business which competes with the Company or any of its subsidiaries.

Directors' Report

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director or other officer of the Company 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, and no Director or other officer shall be liable for any loss or damage which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and other officers of the Group for the year under review.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the following persons are Directors of the Company who had or were deemed to have an interest in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which (i) 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 interest or short position which they had or were deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Long Position in the Shares and underlying Shares

Name of Director	Capacity	Number of Shares held	Number of underlying Shares held	Total	Approximate percentage of issued Shares
Mr. Pang Yuet	Interest of controlled corporation (Note)	900,000,000	–	900,000,000	45.11%
	Interest of spouse (Note)	500,000,000	–	500,000,000	25.06%
Mr. Sun Peng	Beneficial owner	–	19,500,000	19,500,000	0.98%

Note: Mr. Pang Yuet holds all the issued shares of Oriental Solar Group Limited, which in turn directly holds 900,000,000 Shares. In addition, Mr. Pang Yuet is deemed to be interested in the 500,000,000 Shares in which Ms. Cheung Mui, his spouse, has an interest. Accordingly, Mr. Pang Yuet is deemed to be interested in the 1,400,000,000 Shares held by Oriental Solar Group Limited and his spouse.

Save as disclosed above, as at 31 December 2025, as far as the Board was aware, none of the Directors of the Company had or was deemed to have any interest or short position in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) 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 interest or short position which they had or were deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report

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

So far as is known to any Directors, as at 31 December 2025, the following person (not being a Director) had interests in the Shares or underlying Shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Long Position in the Shares and underlying Shares

Name	Capacity	Number of Shares held	Approximate percentage of issued Shares
Oriental Solar Group Limited	Beneficial owner (Note 1)	900,000,000	45.11%
Grand Honest Limited	Beneficial owner (Note 2)	500,000,000	25.06%
Ms. Cheung Mui	Interest of controlled corporation (Note 2)	500,000,000	25.06%
	Interest of spouse (Note 3)	900,000,000	45.11%

Notes:

- (1) Mr. Pang Yuet holds 100% equity interest in Oriental Solar Group Limited, the controlling shareholder of the Company. Accordingly, Mr. Pang Yuet is deemed to have an interest in the Shares held by Oriental Solar Group Limited under the SFO.
- (2) Ms. Cheung Mui holds 100% equity interest in Grand Honest Limited. Accordingly, Ms. Cheung Mui is deemed to have an interest in the Shares held by Grand Honest Limited under the SFO.
- (3) Ms. Cheung Mui is the spouse of Mr. Pang Yuet. Ms. Cheung Mui is deemed to be interested in the same number of Shares in which Mr. Pang Yuet is interested under the SFO.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other persons (other than the Directors whose interests are set out in the section headed "Directors' Interests and Short Positions in Shares and Underlying Share and Debentures" above) who had an 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 as recorded in the register required to be kept under Section 336 of the SFO.

INTERESTS OF CONTROLLING SHAREHOLDERS IN CONTRACTS

There was no contract of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined in paragraph 16 of Appendix D2 to the Listing Rules) or any of its subsidiaries, at any time during the year under review.

Directors' Report

REMUNERATION POLICY

The remuneration policy of the employees and senior management of the Group is set up by the Remuneration Committee on the basis of their merit, qualification and competence with reference to the market benchmarks. The Director's remuneration is recommended by the Remuneration Committee, having regard to market competitiveness, individual performance and achievement, and approved by the Board. The Company has adopted share option scheme as incentives to Directors, eligible employees and participants, details of which are set out in the section headed "Share Options" below.

For the year ended 31 December 2025, 169,000,000 share options were granted to a Director and 11 employees of the Group ("Grantee(s)") pursuant to the 2018 Share Option Scheme. There is no specified vesting period in respect of the share options granted to Grantees. The share options will only be vested and may only be exercised by the Grantees after satisfaction of the performance target determined by the Board. The performance target is a revenue target to be achieved by the Group as a whole, which was determined with the reference to the past overall performance of the Group. The vesting of the share options is subject to the Group's achievement of the performance target. The share options are not subject to any clawback mechanism but shall lapse (to the extent not already exercised) on the date when the Grantee(s) ceases to be an eligible participant under the 2018 Share Option Scheme. Details are set out in the announcement of the Company dated 11 November 2025.

The Board and the Remuneration Committee were of the view that, as the 2018 Share Option Scheme aims to encourage and retain grantees by enabling them to benefit from the Group's success stemming from their own dedication and contributions. It is appropriate for the share options to have no specified vesting period taking into account the performance target which the grantees need to attain before the share options become exercisable. The Board and the Remuneration Committee are also of the view that such performance based target in-lieu of time-based vesting criteria shall effectively incentivise the grantees' continuous contributions to the Group's growth and development.

The Board and the Remuneration Committee considered that a specific clawback mechanism is not necessary having considered that the share options shall lapse upon the Grantee(s) cease to be eligible participant(s) under the 2018 Share Option Scheme, which is in line with the purpose of the 2018 Share Option Scheme and in the interests of the Company.

Details of the remuneration of the Directors and the five highest paid individuals are set out in Notes 9 and 10 to the Consolidated Financial Statements.

RETIREMENT BENEFITS SCHEMES

The Group strictly complies with the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) in making mandatory provident fund contributions for its Hong Kong employees.

The Group also contributes a certain percentage of payroll for the PRC employees to the retirement benefit schemes which are operated by the respective local municipal governments in accordance with relevant laws.

Directors' Report

SHARE OPTIONS

2018 Share Option Scheme

The 2018 Share Option Scheme was adopted by the Company on 20 August 2018 for a term of 10 years. The Company may grant share options to selected eligible participants (as defined in the 2018 Share Option Scheme) as incentives or rewards for their contribution to the Group (or any member of the Group) and/or to enable the Group (or any member of the Group) to recruit and retain high caliber employees and attract human resources that are valuable to the Group (or any member of the Group) and/or to any invested entity.

Under the 2018 Share Option Scheme, the Board has the authority to set the terms and conditions in respect of the grant of share options (e.g. the minimum period of the share options to be held, the performance targets to be achieved before the share options can be exercised and the subscription price). This provides the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help to achieve the purpose of the 2018 Share Option Scheme. The aggregate number of Shares in respect of which share options (including both exercised and outstanding share options) may be granted under the 2018 Share Option Scheme and any other share option scheme(s) of the Company shall not, in aggregate exceed 10% of the total number of shares in issue on its adoption date, unless the Company obtains approval from the Shareholders in general meeting to refresh the scheme mandate limit. Further, the maximum number of Shares which may be issued upon exercise of all outstanding share options granted under the 2018 Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time. The total number of Shares issued and to be issued upon exercise of the share options granted and to be granted to each eligible participant in any 12-month period shall not exceed 1.0% of the total number of Shares in issue of the Company.

Since the scheme mandate limit of the 2018 Share Option Scheme was used up, the Directors had sought approval from the Shareholders at 2022 AGM to refresh the scheme mandate limit so as to increase flexibility of the Company to grant share options under the 2018 Share Option Scheme for achieving the purpose of 2018 Share Option Scheme. As such, the total number of Shares which may be issued upon exercise of all the share options granted under the 2018 Share Option Scheme had been refreshed to 169,497,524 Shares, representing 10% of the total number of Shares in issue as at the date of 2022 AGM.

The eligible participants as defined under the 2018 Share Option Scheme are as follows:

- (i) any employee (whether full time or part time, including any EDs but excluding any NEDs of the Company, or of any of its subsidiaries or invested entity in which the Group holds any equity interest;
- (ii) any NEDs (including INEDs) of the Company, any of its subsidiaries or any invested entity;
- (iii) any Shareholders of any members of the Group or any invested entity or any holder of any securities issued or proposed to be issued by any member of the Group or any invested entity;
- (iv) any other entity (including any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group; or
- (v) any other persons (including any individual staff member of any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group.

Directors' Report

The exercise price of the share options shall not be lower than the higher of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; and (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five consecutive trading days immediately preceding the date of grant.

Details of the movement in the share options granted under the 2018 Share Option Scheme during the year ended 31 December 2025 are as follows:

Category of Participants	Date of Grant	Closing price per Share immediately before the date of grant	Exercise price	Fair value per option at the date of grant	Vesting period	Exercise period	Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding at 31 December 2025
Director											
Ms. Sun Pang	11 November 2025	HK\$0.300	HK\$0.308	HK\$0.22	Note	From the date of attainment of the performance target to 10 November 2035	-	19,500,000	-	-	19,500,000
Employees											
In aggregate	11 November 2025	HK\$0.300	HK\$0.308	HK\$0.20	Note	From the date of attainment of the performance target to 10 November 2035	-	149,500,000	-	-	149,500,000
Total							-	169,000,000	-	-	169,000,000

Note The options do not have a specified vesting period, it will only be vested and may only be exercised by the grantees after satisfaction of the performance target determined by the Board. The performance target is a revenue target to be achieved by the Group as a whole, which was determined with the reference to the past overall performance of the Group.

As at the date of this Annual Report, the total number of the Shares available for issue under the 2018 Share Option Scheme is 497,524 Shares, representing approximately 0.02% of the total number of Shares in issue (excluding treasury shares) and the remaining life of the 2018 Share Option Scheme is approximately 2 years.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' Interests and Short Positions in Shares and Underlying Shares and Debentures" and "Share Options" of this Annual Report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors, chief executive, or any of their respective spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year under review.

Directors' Report

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions and connected transactions for the year ended 31 December 2025 are set out in Note 26 to the Consolidated Financial Statements.

CONTRACTUAL ARRANGEMENTS

The Group has entered into a number of continuing agreements and arrangements ("Contractual Arrangements") with its connected person in the ordinary and usual course of business, which constitute continuing connected transactions under the Listing Rules. Set out below are the details of the Group's continuing connected transactions.

Reasons for the Contractual Arrangements

PRC laws and regulations currently do not allow foreign investors to hold more than 50% of equity interests in a company providing value-added telecommunications services which is considered "restricted" under the Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》).

The Contractual Arrangements among the Group, Beixi Business, Beishang and the Beishang Equity Owner of the consolidated affiliated entities are therefore necessary to achieve the Group's business objectives, although they have been as narrowly tailored as possible so as to minimize potential conflict with current PRC laws and regulations.

All INEDs have reviewed the Contractual Arrangements and confirmed that (i) the Contractual Arrangements have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) the transactions carried out during the year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, have been operated so that the profit generated by the Beishang has been substantially retained by Beixi Business, if any; (iii) no dividends or other distributions have been made by Beishang to Beishang Equity Owner which are not otherwise subsequently assigned or transferred to Beixi Business; and (iv) the Contractual Arrangements and any new contracts entered into, renewed or reproduced between the Group and Beishang during the year are fair and reasonable, or advantageous, so far as the Group is concerned and in the interests of the Shareholders as a whole. The auditor of the Company has confirmed that the Contractual Arrangements have complied with the matters as set out in Rule 14A.56 of the Listing Rules. The Directors also believe that the Group's structure whereby the financial results of the consolidated affiliated entities are consolidated into the Group's financial statements as if they were the Group's subsidiaries, and the flow of economic benefits of their business to the Group places the Group in a special position in relation to relevant rules concerning connected transactions under the Listing Rules.

Directors' Report

Relationship of the parties to the Contractual Arrangements

Beixi Business is an indirect wholly owned subsidiary of the Company. Given Mr. Sun Zheng is a director of Beixi Business and that Mr. Sun Zheng is a substantial shareholder of Beishang by virtue of being a registered owner of Beishang holding entire equity interests in Beishang, Mr. Sun Zheng will be regarded as a connected person of the Company at subsidiary level. Since Mr. Sun Zheng is the registered owner of Beishang holding entire Beishang's equity interests, Beishang is regarded as an associate of Mr. Sun Zheng under Chapter 14A of the Listing Rules. As such, the Contractual Arrangements constitute continuing connected transactions of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 18 to 20 of the Company's announcement dated 30 April 2021.

1. If the PRC government finds that the agreements that establish the structure for the Group to operate certain businesses in the PRC through the Contractual Arrangements do not comply with applicable PRC Laws, or if these regulations or their interpretations change in the future, the Group could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of the Group's interest in Beishang.
2. The Contractual Arrangements may not be as effective in providing operational control as direct ownership and Beishang or relevant parties may fail to perform their obligations under the Contractual Arrangements.
3. The Beishang Equity Owner may potentially have a conflict of interests with the Group.
4. The Contractual Arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed.
5. Beixi Business's ability to acquire the shares in Beishang may be subject to various limitations and substantial costs.
6. The Group may bear economic risk which may arise from difficulties in the operation of Beishang.
7. Certain provisions in the Contractual Arrangements may not be enforceable under PRC laws.
8. The Company may lose the ability to use and enjoy the assets held by Beishang if Beishang declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.
9. The Group does not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.
10. Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and how it may impact the viability of the current corporate structure, Contractual Arrangements, corporate governance and business operations of the Group and Beishang.
11. Impact of the Foreign Investment Law on variable interest entity.
12. Measures adopted by the Company to mitigate against any potential risk arising from the Foreign Investment Law.

Directors' Report

Contractual Arrangements in Place

The major terms of the Contractual Arrangements that were in place as at 31 December 2025 are as follows:

- (i) According to the exclusive business consultancy services agreement dated 20 January 2021, Beishang agreed to appoint Beixi Business as its exclusive services provider to provide technical, consultancy and other services to Beishang, and in return, Beixi Business will charge for the services;
- (ii) According to the exclusive call option agreement dated 20 January 2021, Beishang Equity Owner irrevocably and unconditionally granted an exclusive call option to Beixi Business to require Beishang Equity Owner to transfer his equity interests in Beishang to Beixi Business or its designee for nil consideration;
- (iii) According to the equity pledge agreement dated 20 January 2021, Beishang Equity Owner pledged all his respective equity interests in Beishang to Beixi Business as security for the performance of the contractual obligation by him under the relevant equity pledge agreement, the relevant loan agreement, the exclusive call option agreement and the voting rights delegation agreement; and Beishang under the voting rights delegation agreement and the exclusive business consultancy services agreement; and
- (iv) According to the voting rights delegation agreement dated 20 January 2021, Beishang Equity Owner irrevocably appointed Beixi Business's designated personnel to exercise his rights as a shareholder of Beishang.

There are no material Contractual Arrangements entered into, renewed or reproduced between the Group and the consolidated affiliated entities during the financial year ended 31 December 2025. There was no material changes in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 31 December 2025.

For the year ended 31 December 2025, none of the Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements has been removed. The Group has adopted various measures to ensure the effective operation of the Group with the implementation of the Contractual Arrangements and the Group's compliance with the Contractual Arrangements including the review of the overall performance of and compliance with the structured contracts under the Contractual Arrangements by the Board at least once a year. The Company has been advised by its PRC legal advisor that the Contractual Arrangements do not violate the relevant PRC regulations.

Save for the above continuing connected transactions, the other related party transactions which are disclosed in Note 26 to the Consolidated Financial Statements also constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules and such transactions are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the best of knowledge of the Directors, the percentage of the Shares in the public's hands exceeded 25% throughout the year as required under the Listing Rules.

Directors' Report

CORPORATE GOVERNANCE

Throughout the year under review, the Company complied with the applicable code provisions and principles as set out in Appendix C1 to the Listing Rules, except for the deviations mentioned in the section headed "Corporate Governance Report – Corporate Governance Practices" on page 24 of this Annual Report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

The Group is firmly committed to maintaining the highest standards of environmental and regulatory compliance across all aspects of its operations. Its vessel is diligently maintained, and all activities strictly adhere to the safety and environmental requirements of the International Maritime Organization ("IMO") as well as the laws and regulations of every country and port visited. Crew members are comprehensively trained and certified, ensuring operational integrity and professionalism. With sustainability increasingly central to the global shipping industry, the Company has established robust policies and procedures to safeguard compliance and accountability. It is dedicated to conducting business in an environmentally and socially responsible manner, with a clear focus on advancing decarbonization initiatives and aligning with international ESG best practices.

Success in the shipping business depends on timing, performance, and enduring relationships. Shipowners must understand their customers and suppliers, fostering mutual trust and respect. The Group has consistently excelled in this area, enabling it to secure contracts and sustain business flow even during periods of economic weakness. By combining operational excellence with a strong commitment to sustainability, the Group continues to enhance long-term stakeholder confidence and support sustainable growth.

The Company complied with the applicable code provisions and principles as set out in Appendix C2 to the Listing Rules throughout the year under review and details of which are set out in the section headed "Environmental, Social and Governance Report" on pages 41 to 85 of this Annual Report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year under review, the Company was not aware of any material breach of or non-compliance with the applicable laws and regulations by the Group. The management regularly reviews and updates the rules and policies of the Group to ensure it is in compliance with the legal and regulatory requirements.

AUDITOR

There was no change in auditor of the Company during the three years prior to the date of this Annual Report.

The Consolidated Financial Statements of the Group for the year ended 31 December 2025 were audited by Forvis Mazars CPA Limited. A resolution for the re-appointment of Forvis Mazars CPA Limited as the auditor of the Company will be proposed at the 2026 AGM of the Company.

On behalf of the Board

Pang Yuet

Chairman and Executive Director

Hong Kong, 16 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance practices and procedures to safeguard the interests of the Shareholders and enhance the performance of the Group. The Company has adopted and applied the code provisions as set out in the CG Code.

During the year ended 31 December 2025, the Company complied with the applicable CG Code and principles, save for the deviations specified and explained below.

Code Provision C.2.1

The post of chief executive of the Company has remained vacant since March 2009. The duties of chief executive had been performed by other EDs. As there is a clear division of responsibilities of each director, the vacancy of the post of chief executive did not have any material impact on the operations of the Group. Nevertheless, the Board will review the current structure from time to time and if a candidate with suitable knowledge, skill and experience is identified, the Board will make an appointment to fill the post of chief executive as appropriate.

CORPORATE STRATEGY AND CULTURE

The Company instills a culture that promotes a high standard of corporate governance at all times and in all areas of its operations. The Board believes that good corporate governance is an essential element in enhancing the confidence of current and potential shareholders, investors, employees, business partners and the community as a whole. As such, the Group have been striving to achieve the objectives of 1) providing excellent service to meet the needs of the customers, 2) providing safety working environment to the staff, 3) protecting the investment of shareholder, and 4) promoting the sustainable development for the society. In order to facilities the objectives of the Group. The Group establish difference departments and teams to promote and maintains high quality of corporate governance. The Board (including the Independent Non-executive Directors) is responsible for the Group's monitor and supervisor the function of the teams. The Directors believe that the effectiveness of risk management analysis, internal control policy and ESG function shall enhance day to day operation including safety review, strategy development, business planning, capital allocation, investment decisions. As a result, the corporate governance of the Group shall balance the needs of all stakeholders of the Group.

BOARD OF DIRECTORS

(1) Board Composition

The Board currently comprises three EDs, one NED and three INEDs. The Directors during the year under review and up to the date of this Annual Report are as follows:

Executive Directors

Mr. Pang Yuet (*Chairman*)

Mr. Sun Peng

Mr. Wang Jizhao

Corporate Governance Report

Non-Executive Director

Ms. Liu Siyuan

Independent Non-Executive Directors

Mr. Ng Kwun Wan

Mr. Wong Cheuk Bun

Mr. Hon Ming Sang

The biographical details of the Director and their relationship, where applicable, are shown in the section headed "Directors' Profile" on pages 9 to 11 of this Annual Report and are on the Company's website.

(2) Nomination and Appointment of Directors

The Company has adhered to its policy in selecting candidate(s) for the appointment as Directors by considering advices from the Nomination Committee and taking into account the Board Diversity Policy. The existing Directors are subject to retirement by rotation at least once every three years and are eligible for re-election at the Company's AGM. For the newly appointed Director, he shall hold office only until the next general meeting of the Company (in case of filling a casual vacancy) or until the next following AGM of the Company (in case of an addition to the existing Board), and shall then be eligible for re-election.

(3) Responsibility of the Board of Directors

It is the function of the Board to assume the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

Other duties include but are not limited to:

- maintaining effective control of the Company;
- giving strategic direction to the Company;
- reviewing, approving and monitoring fundamental financial and business strategies, plans and major corporate actions;
- ensuring that the Company complies with relevant laws, regulations and codes of business practice;
- ensuring that the Company communicates with the Shareholders and the relevant stakeholders transparently and promptly; and
- reviewing and monitoring the overall corporate governance functions of the Company.

Corporate Governance Report

The day-to-day management, administration and operations of the Group and the implementation of policies have been delegated to the management of the Group. The Board fully supports the management with appropriate power and authorities in operating the Group's businesses within the strategic directions given by the Board. The management should report back to the Board before any significant decisions and commitments are to be made. The Board also reviews the authorities delegated to the management regularly to ensure that these are appropriate and effective.

Although the Board has delegated its certain responsibilities and functions to the management and various committees, it acknowledges that it remains ultimately accountable for the performance and affairs of the Company.

(4) Board Meetings and General Meetings

The attendance of each Director and the number of meetings held during the year under review are detailed in the table below:

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Executive Committee	General Meeting
Executive Directors						
Mr. Pang Yuet (<i>Chairman</i>)	9/9	-	1/1	-	3/3	1/1
Mr. Sun Pang	9/9	-	-	-	3/3	1/1
Mr. Wang Jizhao	9/9	-	-	-	-	1/1
Non-Executive Director						
Ms. Liu Siyuan	9/9	-	-	-	-	1/1
Independent Non-Executive Directors						
Mr. Ng Kwun Wan	9/9	5/5	1/1	2/2	-	1/1
Mr. Wong Cheuk Bun	9/9	5/5	1/1	2/2	-	1/1
Mr. Hon Ming Sang	9/9	5/5	-	2/2	-	1/1

(5) Board Activities

The Board meets regularly and holds not less than four meetings each year at approximately quarterly intervals to review and discuss the Company's operations, financial results and other relevant matters as identified by the Directors. Additional meetings will also be arranged at the Directors' request as driven by circumstances. Through participating in the Board meetings, committee meetings and general meetings, the Directors are able to make contributions as required from them to the Board and to the development of the Group.

Corporate Governance Report

The Board proceedings are well defined and in adherence to the requirements under the Articles of Association and the Listing Rules. The company secretary prepares the agendas for Board meetings and issue to all Directors with a notice period (either written and/or verbal) of at least 14 days for regular Board meetings, and shorter notice period for other Board meetings, and distribute to all Directors the Board papers containing relevant information and documents at least 3 days before the Board meetings. During each Board meeting, the Chairman of the meeting encourages all Directors to make a full and active contribution to the Board's affairs and takes the lead to ensure that the Board acts in the best interests of the Company. Directors are also encouraged to discuss the matters at the meeting and express their different views to ensure that the Board's decisions fairly reflect the consensus of all Directors. EDs are responsible for reporting to the Board the respective business segments, including but not limited to, operations of the respective divisions, business update, progress of the projects, financial performance, corporate governance and compliance matters.

The Directors are required to declare their and their connected entities' direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at the Board meetings and should not vote and be counted in the quorum on the relevant resolutions in relation to such proposals and transactions thereat.

The company secretary prepares written resolutions and minutes as required by the circumstances and keeps detailed records of matters discussed and decisions resolved at the Board meetings, committee meetings and general meetings, including any concern raised by the Directors, members of the committees and the Shareholders (as the case may be) or their dissenting views expressed. Draft resolutions and minutes of the Board/committee meetings will be circulated to the Directors/members of the committees for comments in a timely manner. Original minutes and resolutions of the Board/committees and general meetings are placed on record and kept by the company secretary. These are available for inspection upon request by the Directors.

(6) Continuous Professional Development

For newly appointed Director, the Company will provide an induction package including necessary information of the Group and briefings relevant to the business and/or director's duties. The Directors are encouraged to participate in continuous professional development courses and seminars to develop and refresh their knowledge and skills as directors of listed company. The Company continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

Corporate Governance Report

The individual training record of each Director for the year ended 31 December 2025 are as follows:

	Course/ seminar provided/ accredited by professional body	Updates on corporate governance, regulatory development, anti-corruption, other professional skills and self-reading
Executive Directors		
Mr. Pang Yuet (<i>Chairman</i>)		✓
Mr. Sun Peng		✓
Mr. Wang Jizhao		✓
Non-executive Director		
Ms. Liu Siyuan		✓
Independent Non-executive Directors		
Mr. Ng Kwun Wan	✓	✓
Mr. Wong Cheuk Bun	✓	✓
Mr. Hon Ming Sang	✓	✓

(7) Monthly Management Reports to Directors

All Directors are provided with monthly report on the Company's performance, position and prospects, together with the latest development on the changes of applicable rules and regulations to enable the Board as a whole and each Director to discharge their duties. All Directors have been continuously keeping themselves updated on relevant issues, such as, corporate governance and regulatory requirements through self reading materials.

(8) Chairman and Chief Executive

Mr. Pang Yuet is the Chairman of the Board and there is no chief executive during the year under review and up to the date of this Annual Report.

The Chairman and chief executive are responsible for the management of the Board and the day-to-day management of the Company. The Company has established and adopted a "Division of Responsibilities of the Chairman and Chief Executive" guideline which clearly identified the respective roles of the Chairman and chief executive. In brief, the Chairman is responsible for providing leadership for the Board and the chief executive is responsible for leading the management in the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board.

During the year under review, the post of chief executive has been vacant and the duties of chief executive were performed by all EDs collectively.

Corporate Governance Report

(9) Non-executive Directors

The NEDs and INEDs are appointed for a specific term for three years and subject to retirement by rotation and re-election at AGM in accordance with the Articles of Association.

(10) Directors' and Officers' Liability Insurance

The Company has taken out the directors' and officers' liability insurance coverage pursuant to the Articles of Association in relation to the liability of the Directors and officers for any loss or damage which may happen to or be incurred by the Company in the execution of the duties of his/their office(s) or in relation thereto.

(11) Independent Advice to the Board

The Directors, upon reasonable request to the Company in an agreed procedure, are authorized, at the expenses of the Company, to seek independent professional advices in appropriate circumstances in order to assist them in performing their duties.

BOARD COMMITTEES

The Board currently has four committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Executive Committee. All the Board committees are empowered by the Board under their own TORs which have been published on the Stock Exchange's website and the Company's website respectively.

(1) Audit Committee

The Audit Committee comprising only INEDs was established with specific written TOR. Its main functions are to review and provide supervision over the Group's financial reporting process, risk management and internal controls.

As at 31 December 2025, members of the Audit Committee were Mr. Ng Kwun Wan (Chairman), Mr. Wong Cheuk Bun and Mr. Hon Ming Sang.

During the year under review, the Audit Committee performed the following duties:

- Recommended to the Board regarding the appointment and remuneration of the auditor;
- Reviewed the draft annual and interim financial statements and the draft results announcements of the Company, focusing on main areas of judgment and compliance with certain rules and standards prior to recommending them to the Board for approval;
- Reviewed, in conjunction with the auditor, the developments of accounting standards and assessed their potential impacts on the Group's financial statements;
- Reviewed and monitored the auditor's independence, objectivity and the effectiveness of audit process in accordance with applicable standards;
- Assessed the independence of the auditor, prior to formally engaging the auditor to carry out the audit for the Group's financial statements for the year;

Corporate Governance Report

- Discussed the proposed scope of work and approach of the audit with the auditor prior to the actual commencement of the audit;
- Reviewed the results of the external audit, and discussed with the auditor on any significant findings and audit issues;
- Reviewed the legality and enforceability of the Contractual Arrangements of the Company;
- Reviewed and approved the internal audit planning, and discussed any significant issues with the internal auditor and the management of the Company; and
- Reviewed the adequacy and effectiveness of the Group's systems of enterprise risk management and internal control through a review of the work undertaken by the internal auditor and discussions with the Board.

(2) Nomination Committee

The Nomination Committee comprising one ED and two INEDs was established with specific written TOR. Its main functions are to determine policy for nomination of the Directors, review and assess the structure, size and composition of the Board and to identify and make recommendation to the Board on the selection, appointment or re-appointment for directorship.

The Company has adopted procedures for the nomination of new directors, pursuant to which (i) a meeting of the Nomination Committee in relation to the nominations of new directors to the Board will be held; and (ii) the Board will consider and, if thought fit, approve the appointment of the new directors by way of board meeting or written resolution. To ensure a proper understanding of the operations and businesses of the Company and that he/she is fully aware of his/her responsibilities under the applicable laws and regulations (including the Listing Rules), the newly appointed directors will be provided with a comprehensive, tailored and formal induction of the Company on the first occasion of his/her appointment.

Corporate Governance Report

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a candidate:

- Succession planning of the Directors;
- Leadership required for the Group to maintain or strengthen its competitive edges;
- Changes in market environment and commercial needs of the market in which the Group operates;
- Skills and expertise required for being a member of the Board;
- Relevant requirements for a candidate to be a director of the Company under the Listing Rules;
- Character and integrity;
- Commitment of sufficient time for performance of the duties as a director; and
- The Board's diversity in all aspects as mentioned in the Corporate Governance Report.

As at 31 December 2025, members of the Nomination Committee comprised of 1ED and 2 INEDs, namely, Mr. Pang Yuet (Chairman), Mr. Ng Kwun Wan and Mr. Wong Cheuk Bun.

During the year under review, the Nomination Committee performed the following duties:

- Reviewed the structure, size and the composition of the Board;
- Reviewed the board diversity policy of the Company;
- Reviewed the nomination procedure of the Directors;
- Assessed the Director's time commitment and their contribution to the Board;
- Evaluated the competence of the Directors, taking into account their qualifications, experience and number of directorships held in other listed companies;
- Reviewed the independence of all INEDs; and
- Recommended to the Board on the re-appointment of Directors at the 2025 AGM.

Corporate Governance Report

(3) Remuneration Committee

The Remuneration Committee comprising only INEDs was established with specific written TOR and its main function is to make recommendations to the Board on policies relating to the remuneration of all Directors. In accordance with the Listing Rules, the majority of the members of the Remuneration Committee are INEDs.

As at 31 December 2025, the members of the Remuneration Committee consisted of 3 INEDs, namely, Mr. Ng Kwun Wan (Chairman), Mr. Wong Cheuk Bun and Mr. Hon Ming Sang.

During the year under review, the Remuneration Committee performed the following duties:

- Reviewed and recommended the issues relating to the 2018 Share Option Scheme, including but not limited to, the grant of share options to the Director and employees of the Group; and
- Reviewed and assessed the remuneration package and the performance of the Directors.

(4) Executive Committee

The Executive Committee comprising at least two EDs was established with specific written TOR. Its main functions are to provide business strategies and future directions to the Company and advise on all commercial matters, approve the daily operations of the Group and make recommendations to the Board for approval (if necessary).

As at 31 December 2025, the Executive Committee comprised of 2 EDs, namely, Mr. Pang Yuet (Chairman) and Mr. Sun Peng.

During the year under review, the Executive Committee performed the following duties:

- Reviewed the performance of the vessels of the Group; and
- Approved the contracts of the operations of the Group.

Corporate Governance Report

(5) Corporate Governance Function

The Company has not established any committee responsible for the corporate governance function of the Group and it is collectively performed by the Board. The Board acknowledges overseeing the corporate governance function of the Group collectively with a view in compliance with the Listing Rules.

During the year under review, the Board performed the following corporate governance functions:

- Reviewed and updated the Company's policies and practices on corporate governance and made recommendations;
- Reviewed and monitored the training and continuous professional development of Directors and senior management;
- Reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- Reviewed and monitored the code of conduct applicable to the Directors; and
- Reviewed the compliance with the CG Code and the disclosure in the Corporate Governance Report.

COMPANY SECRETARY

Mr. Poon Pok Man Coca, the company secretary of the Company, complied with Rule 3.29 of the Listing Rules of obtaining no less than 15 hours of relevant professional training during the year under review.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry, all Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

FINANCIAL REPORTING

The Directors are responsible for the preparation of the Consolidated Financial Statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the condensed consolidated financial statements for the six months ended 30 June 2025 and consolidated financial statements for the year ended 31 December 2025, the Directors have adopted suitable accounting policies and applied them consistently. The Consolidated Financial Statements have been prepared on a going concern basis.

A statement by the auditor about its reporting responsibilities is set out in the Independent Auditor's Report on pages 86 to 90 of this Annual Report.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks (including, among others, material risks relating to ESG) it is willing to take in achieving the Group's strategic objectives; and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the Group's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Group's financial reports and achieving compliance with applicable laws and regulations. Through the Audit Committee, the Board also oversees the management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- *Identification:* Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- *Evaluation:* Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- *Management:* Consider the risk responses, ensure effective communication to the Board and on-going monitoring of the residual risks.

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follows:

- *Control Environment:* A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- *Risk Assessment:* A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- *Control Activities:* Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- *Information and Communication:* Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- *Monitoring:* Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

Corporate Governance Report

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The EDs are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Internal Auditor

The Group has outsourced its internal audit function (the "IA function") to SHINEWING Risk Services Limited, a professional internal audit services provider in Hong Kong. They are responsible for promptly identifying, analysing and evaluating the risks in production and operations, and for recommending countermeasures and internal control solutions to be implemented by the Group. The IA function operates independently from the Group's daily activities and conducts objective appraisals of the risk management and internal control systems. Its work includes onsite inspections, interviews, walkthroughs, and tests of operating effectiveness to ensure that controls are both adequate and functioning as intended.

An internal audit plan is approved by the Audit Committee. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Board via the Audit Committee afterwards.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible to ensure that the Group has established and maintained appropriate and effective risk management and internal control systems, and to review the effectiveness of these systems 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 since the last annual review, and the Group's ability to respond to changes in its business and the external environment; and (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

Based on the internal control reviews conducted, which covered enterprises risk assessment, corporate governance practice, financial reporting, human resource and information technology management, for the financial year ended 31 December 2025, there are no significant control failings or weaknesses identified and no significant changes in the risk assessment and risk management and internal control system. The recommendation which were previously reported has also been implemented.

Corporate Governance Report

The Board has conducted annual review of the adequacy and effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 through the Audit Committee and the IA function, covering all material financial, operational and compliance controls. Based on the management's regular updates and confirmations to the Audit Committee and the Board and the work of IA function, the Board confirms that the Group's risk management and internal control systems remain appropriate and effective for the purposes set out in Principle D2 of the CG Code.

The Board also reviewed and satisfied the adequacy of resources, qualifications and experience of staff of the Group's accounting, financial reporting functions, as well as those relating to the Group's ESG performance and reporting, and their training programmes and budget.

AUDITOR'S REMUNERATION

During the year under review, the fee for audit services provided by Forvis Mazars CPA Limited, the external auditor of the Company, was HK\$980,000 and that for the non-audit services representing the agreed upon procedures engagement of the interim result amounted to HK\$138,000.

BOARD DIVERSITY

The Company specialises and embraces the benefits of building a diverse and inclusive Board and has adopted the board diversity policy in order to achieve and maintain its sustainable development and competitive advantage. The board diversity policy has been considered from a range of diversity perspectives, including but not limited to gender, age, educational background, ethnicity, professional expertise, expertise, skills, knowledge and length of service. These aspects will be considered in determining the optimum composition of the Board and should be balanced appropriately when possible and necessary. The Board reviews the implementation and effectiveness of the board diversity policy annually.

Underpinned by meritocracy, the Board appointments will be considered against objective criteria, with due regard for the benefits of diversity on the Board.

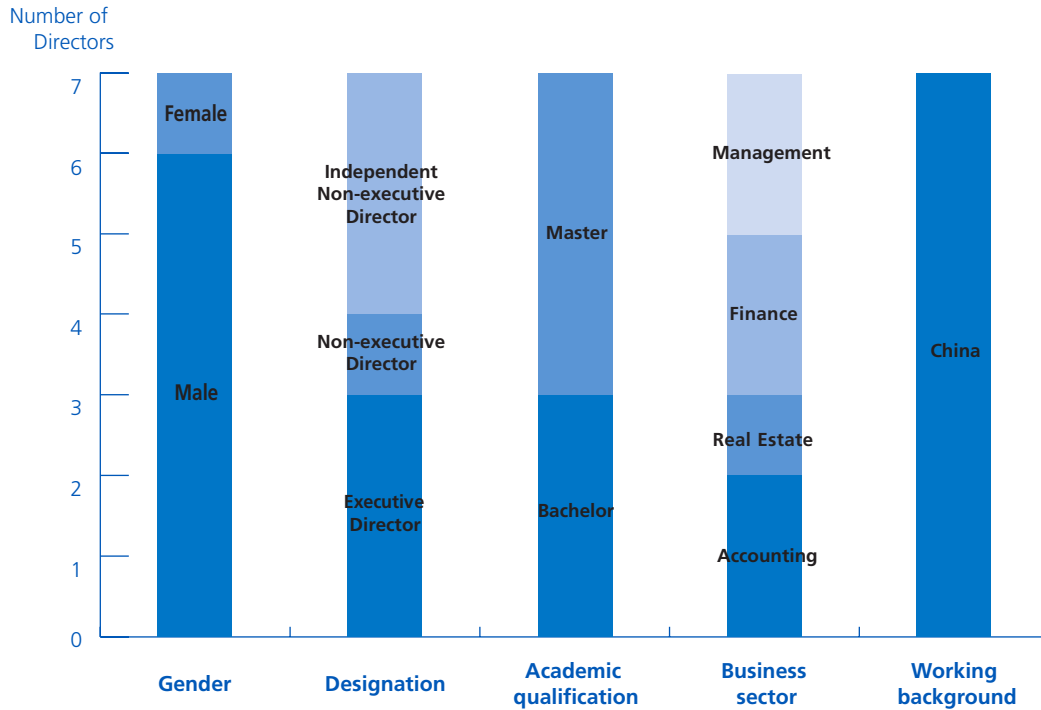
The Nomination Committee annually discusses and establishes measurable objectives for achieving diversity on the Board. At any given time, the Nomination Committee may seek to improve one or more aspects of its diversity and measure progress accordingly.

With reference to the business needs of the Group, the following measurable objectives have been set for implementing the board diversity policy:

- 1) A prescribed proportion of female members on the Board;
- 2) A prescribed proportion of Independent Non-executive Directors on the Board;
- 3) A prescribed proportion of members on the Board holding bachelor's degree or above; and
- 4) A prescribed proportion of members on the Board possessing China-related work experience.

Corporate Governance Report

As at the date of this Annual Report, the composition and diversity of the Board are as follows:



The Board consists of a diverse mix of Directors with skills and experience apposite to leading and overseeing of the Company’s business, the Nomination Committee considered that the Company has achieved the measurable objectives set for implementing the board diversity policy of the Company.

WORKFORCE DIVERSITY

As at 31 December 2025, we maintained a 1:1.45 ratio of women to men in the workplace. The current gender diversity of workforce was appropriate taking into account the business models and operational needs. We continually take positive action to ensure equal opportunity in the conduct of employment activities, including recruitment, hiring, compensation, training and promotion for all persons to be based on their competence, knowledge, experience and individual performance, regardless of gender.

Corporate Governance Report

COMMUNICATIONS WITH SHAREHOLDERS

(1) Convening a General Meeting

Under Section 566 of the Companies Ordinance, Shareholders who represent at least 5% of the total voting rights of all Shareholders having a right to vote at general meetings may request the Directors to convene general meetings by written request. The request must state the general nature of business to be dealt with at the meeting, and must be signed by the requisitionist(s) and deposited at the registered office of the Company.

The Directors must proceed to convene a general meeting within 21 days from the date of receipt of the request. Such meeting should be held on a date not more than 28 days after the date on which the notice convening the meeting is given. If the Directors fail to convene the general meeting as aforesaid, the requisitionist(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene the meeting. Any meeting so convened shall not be held after the expiration of three months from the date of the deposit of the request.

(2) Putting Forward Proposals at General Meeting

Under Section 615 of the Companies Ordinance, Shareholders representing at least 2.5% of the total voting rights of all Shareholders having a right to vote, or at least 50 Shareholders who have a relevant right to vote may (a) make a written request to circulate a resolution for the AGM; and (b) circulate their written statement to Shareholders with respect to matter or other business to be dealt with at general meeting.

The request must be sent to the Company in hard copy or electronic form and must identify the resolution of which notice is to be given. It must be signed by the requisitionist(s) and be received by the Company not less than six weeks before the AGM to which the requests relate, or, if later, the time at which notice is given of that meeting.

For more details on the Shareholders' qualifications, and the procedures and timeline, in connection with the above, Shareholders may refer to the Sections 580 and 615 of the Companies Ordinance.

(3) Procedures for Sending Enquiries and Proposals to the Board

Shareholder may send in their enquiries and put forward proposals to the Board by sending the same to:

The Board of Directors
Asia Energy Logistics Group Limited
Suite 802-803, 8/F
One Pacific Place
88 Queensway
Hong Kong

OR

Email: enquiries@asiaenergy351.com

Corporate Governance Report

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

(4) Investor Relations

The Company has adopted the shareholders communication policy with the objective of ensuring that Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders to engage actively with the Company. The Board will regularly review the policy to ensure its effectiveness.

The Company discloses relevant information to Shareholders in a timely manner. Information shall be communicated to Shareholders mainly through the Company's financial reports, AGMs and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company website.

The Company held the 2025 AGM on 23 May 2025, all Directors and the auditor of the Company attended the 2025 AGM and were available to answer the Shareholders' questions. To safeguard Shareholders' interests and rights, the Chairman proposed separate resolutions for each issue to be considered and put each proposed resolution to the vote by way of a poll. Poll results were published on the website of the Stock Exchange and that of the Company on the same date following the AGM.

The Company's website which contains corporate information, corporate governance practice, interim and annual reports, ESG reports, announcements and circulars issued by the Company enables the Shareholders to have timely and updated information of the Company.

The Board reviewed the Shareholders engagement and communication activities conducted during the year and was satisfied with the implementation and effectiveness of the shareholders communication policy.

(5) Constitutional Documents

The Company did not make any changes in its constitutional documents during the year under review. The Company's constitutional documents are also made available on the Company's website.

Corporate Governance Report

DIVIDEND POLICY

The Board has adopted a dividend policy. This policy sets out the guidelines for the Board to determine (i) whether dividends are to be declared and paid, and (ii) the level and form of dividend to be paid to the Shareholders. It is the policy of the Company to allow the Shareholders to participate in the Company's profits whilst to retain adequate reserves for future growth. Normally, the Company pays dividends twice a year, which are the interim dividend and final dividend. The Board may declare special dividends in addition to such dividends as it considers appropriate.

In determining/recommending the frequency, amount and form of any dividend in any financial year/period, the Board shall consider the following factors:

- the actual and expected financial performance of the Group;
- Company's reserves available for distribution to Shareholders;
- the current and future liquidity position and working capital requirements of the Group;
- expected cash flows for business operations, business strategies and future development needs;
- future expansion plans and cash commitments;
- economic conditions and other internal or external factors that may have an impact on the business, financial performance and/or position of the Group; and
- other factors that the Board deems relevant.

Dividends may be paid in cash or be satisfied wholly or in part by the distribution of specific assets of any kind, including an allotment of Shares. The Board may from time to time determine and pay to the Shareholders such interim dividends as it considers appropriate. The Board may recommend the payment of final dividends which are required to be approved by Shareholders in the AGM.

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2025 because the Company did not have any reserves available for distribution to Shareholders as calculated in accordance with the provisions of section 297 of the Companies Ordinance. Therefore, the Board made all dividend decisions in accordance with the dividend policy.

UPDATE OF TORS OF THE COMMITTEES

During the year under review, no significant update was made to TORs.

Environmental, Social and Governance Report

I. INTRODUCTION AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

About the Report

The Environmental, Social and Governance Report (the “Report”) summarises the initiatives, plans and Asia Energy Logistics Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”) in the environmental, social and governance (“ESG”) aspects, and illustrates the sustainability of our business activities in terms of ESG.

The Group adheres to the management policies of sustainable ESG development and is committed to handling the Group’s ESG matters effectively and responsibly, which it believes are of great significance for its business and operations.

ESG Governance Structure

Through the Group ESG governance, it aims to create accountability at all levels, so that everyone and each party is well aware of the role and responsibilities in contributing to ESG objectives of the Group. The directors (the “Directors”) and the board of Directors (the “Board”) has been dedicated to improving our ESG performance through a better ESG management and monitoring system, including an accurate collection of data on a timely manner and a better incorporation of ESG concept into company management, so as to balance the financial gains with environmental and social goods. The Group has also maintained an open and effective communication channels with our stakeholders to ensure a collaborative effort in long-term sustainability, and to readjust our ESG-related strategies.

The Board is responsible to oversee the broader ESG megatrends, risks and opportunities that would affect the long-term development and positioning of the Group. The top management determines the overall strategic direction of the Group to achieve sustainable growth, while benefiting the society. It also endorses the key policies of ESG focus areas. They effectively record and report ESG related information, and fully put into practice the ESG related management work.

Reporting Framework

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Reporting Guide”) sets out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). Moving forward, the Group is adopting a phased approach to climate-related disclosures and will continue to work toward compliance with the IFRS Sustainability Disclosure Standards, which build upon the TCFD Framework. Ongoing efforts will focus on evaluating current climate-related processes and enhancing the robustness of future disclosures.

The details of the operations of the Group are set out in the “Management Discussion and Analysis” section of the annual report of the Company for the financial year ended 31 December 2025 annual report (the “Annual Report”). If there is any conflict or inconsistency, the English version shall prevail.

Environmental, Social and Governance Report

Reporting Period

The ESG Report elaborates on the Group's ESG events, challenges and measures during the year from 1 January 2025 to 31 December 2025 (the "Reporting Period").

Reporting Scope and Boundary

During the year under review, the Group was principally engaged in the (i) shipping and logistics business; and (ii) telecommunications related business; (iii) e-commerce trading business; and (iv) industrial intelligent robotic solutions in the PRC.

During the Reporting Period, the Group maintained its business strategy for sustainable development and focused on shipping and logistics business; therefore, the scope of the report covers the key performance indicators ("KPIs") data of the Group's main operating activities at its Hong Kong office and on one vessel.

The Board has confirmed that the Report does not contain any false information, misleading statements or material omissions, and collectively and individually, accept responsibility for the truthfulness, accuracy and completeness of its contents.

The Group refers to the Reporting Guide with a complete index in compliance is available at the end of this Report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report has complied with all the "comply or explain" provisions set out in the ESG Reporting Guide. This year's Report is further enhanced, with a wider range of KPIs. In line with these standards, key stakeholders, including operation departments, management and independent third parties, were engaged in the material assessment and identification of the relevant and important environmental, social and governance policies, for incorporation in the Report.

Reporting Principles

The basis of reporting principles – materiality, quantitative and consistency:

Materiality: The Group determines material ESG issues by stakeholder engagement and materiality assessment. For further details, please refer to the "Stakeholder Engagement" and "Materiality Assessment" sections of this Report.

Quantitative: Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.

Consistency: The Report will use consistent methodologies for meaningful comparisons in the past years unless improvements in methodology are identified.

Stakeholder Engagement

The Group is committed to maintaining the sustainable development of its business and the environmental protection of the communities in which it operates. We maintain a close tie with its stakeholders, including government/regulatory organisations, shareholders/investors, employees, customers, suppliers, community, etc. and strive to balance their opinions and interests through constructive communications in order to determine the directions of its sustainable development. We assess and determine our environmental, social and governance risks, and ensure that the relevant risk management measures and internal control systems are operating effectively.

Environmental, Social and Governance Report

The following table shows the management response to the stakeholders' expectations and concerns:

Key Stakeholders	Expectations and concerns	Management response
Government/regulatory organizations	Compliance in laws and regulations	Establish comprehensive and effective internal control system
	Fulfill tax obligation	Pay tax on time, and in return contributing to the society
	On-site visits and inspections	Uphold integrity and compliance in operations
Investors/Shareholders	Return on investment	Management possesses relevant experience and professional knowledge in business sustainability
	Information transparency	Ensure transparent and effective communications by dispatching information on the websites of HKEX and the Company
	Corporate governance system	Continue to improve the internal control system and focus on risk management
Customers	High quality services	Improve the quality of services continuously in order to maintain customer satisfaction
	Reasonable price	Ensure proper contractual obligations are in place
Business partners, contractors and Suppliers	Good relationship with the Company	Business Partners and Suppliers management meetings and events
	Corporate reputation	Business Partners and Suppliers on-site audit management policy
Employees	Career development	Encourage employees to participate in continuous education and professional trainings
	Compensation and welfare	Establish a fair, reasonable and competitive remuneration scheme
	Health and workplace safety	Pay attention to occupational health and safety

Environmental, Social and Governance Report

Key Stakeholders	Expectations and concerns	Management response
Community	Environmental protection	Pay attention to climate change
	Community contribution	Encourage employees to actively participate in charitable activities and voluntary services
	Economic development	Maintain good and stable financial performance and business growth

Materiality Assessment

The management and employees that perform major functions in the Group have all participated in preparing the ESG Report to assist the Group in reviewing its operation, identifying relevant ESG matters, and assessing the importance of such relevant matters to its business and stakeholders. Information was collected from relevant departments and business units of the Group based on the major ESG matters that had been assessed.

During the Reporting Period, our materiality assessment is mainly based on the document “How to prepare an ESG Report” issued by the Stock Exchange. The Group has evaluated the materiality and importance in ESG aspects through the following steps:

- (1) Material ESG area identification by industry benchmarking;
- (2) Key ESG area prioritisation with stakeholder engagement; and
- (3) Validation and determining material ESG issues based on the results of communication among stakeholders and the management.

Based on the results of the materiality assessment, the Group has outlined 24 ESG issues in the following matrix in accordance with the dual materiality principle, including a total of 8 material issues. Going forward, the Group’s Board and management will further refine and enhance the relevant sustainability strategies based on the materiality assessment results. Additionally, there are plans to expand the scope of stakeholders covered in the surveys to gain a more comprehensive understanding of and better address their needs.

Environmental, Social and Governance Report

Materiality Matrix

The assessment led to the identification of 24 ESG material topics, as outlined in the matrix below:



Environmental	Social	Operation
1 GHG missions	8 Community Contribution	16 Anti-corruption
2 Energy Consumption and Resource Management	9 Occupational Health and Safety	17 Supply Chain Management
3 Water Resource Management	10 Child Labour	18 Supplier Evaluation and Selection
4 Waste Management	11 Forced and Compulsory Labour	19 Customer Service and Satisfaction
5 Use of Packaging Material	12 Training and Development	20 Customer Privacy
6 Environmental Impact	13 Remuneration and Benefits	21 Feedback and Complaint Handling
7 Climate Change	14 Diversity and Equal Opportunity	22 Product Safety and Quality Management
	15 Talent Attraction and Retention	23 Protection of Intellectual Property
		24 Marketing and Labeling

Contact us

The Group welcomes stakeholders' feedback on its ESG approach and performance. Please give your suggestions or share your views with us via email at enquiries@asiaenergy351.com.

Environmental, Social and Governance Report

II. ENVIRONMENTAL

Major Scope & Aspects

The Group attaches high importance to environmental management in its businesses and formulates scientific environmental protection and measures by adopting the world's leading practices in its operation. The Group also endeavors to fulfil the social responsibility for environmental protection as its efforts to protect the Earth and build a sustainable future for its future generations. In order to monitor its environmental management and minimise the impacts of its business operation, the Group has formulated relevant policies for environmental management, while promoting employees' awareness on environmental protection and complying with relevant laws and regulations.

One of the principal businesses of the Group is provision of chartered vessels for the transportation of dry bulk cargoes as well as operation of international voyages. Our vessels are required to comply with the law of the countries while in the territorial waters of the respective countries. These laws, regulations and rules generally govern the legal requirements, technical standards, Health-Safety-Environmental (HSE) procedures and measures of vessel operation and are outlined below:

Laws/Regulations	Description
International Convention for the Prevention of Pollution from Ships ("MARPOL")	The prevention of marine environment pollution by vessels from operational or accidental causes regulates the emission of all forms of pollutants by vessels including oil, sewage, garbage and gas.
International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW Convention")	Standards for training, certification and watchkeeping for seafarers working on board of the vessels which operates on international voyages.
Convention on the International Regulations for Preventing Collisions at Sea ("COLREGS")	The road for vessels engaged on voyages on the high sea. It contains rules for steering and sailing, conduct of vessels in limited visibility etc.
International Convention on Load Lines	The limit to the draught to which a ship may be loaded, in addition to setting provisions to prevent water from entering a ship through doors, hatches, windows, ventilators etc.
International Safety Management Code for Safe Operation of Ships and for Pollution Prevention ("ISM Code")	The enhancement in greater responsibility to onshore management in respect of safe operation of ships as well as prevention of pollution.
Hong Kong Merchant Shipping (Local Vessels) Ordinance ("Cap.548 of the Laws of Hong Kong")	An Ordinance to provide for the regulation and control of local vessels in Hong Kong or in the waters of Hong Kong and for other matters affecting local vessels, including their navigation and safety at sea (whether within or beyond the waters of Hong Kong).

Environmental, Social and Governance Report

The Group has established a set of policies and procedures in place with respect to the shipboard operation for each of the Group's vessels, as below:

- 1) Safety and environmental protection policy;
- 2) Instructions and procedures to ensure safe operation of ships and protection of environment in compliance with relevant international and flag state legislation;
- 3) Procedures for reporting accidents and non-conformities with the provisions of the ISM Code; and
- 4) Procedures of preparation for and response to emergency.

The Group's safety and environmental policies are implemented through its safety management system in place in compliance with the requirements of the ISM Code. Each of the Group's vessels have been awarded with and have maintained the relevant certificates issued by the American Bureau of Shipping and Lloyd's Register of Shipping pursuant to the ISM Code and MARPOL for compliance with various requirements relating to prevention of air pollution, oil pollution and other kinds of marine pollution.

During the Reporting Period, the Group has not committed to any material breaches of the relevant laws, rules and regulations concerning environmental protection.

Emissions

General Disclosures and KPIs

During the Reporting Period, the Company was principally engaged in the shipping and logistics businesses. Source of emissions arising come from fuel consumption in the use of the vessel engines, vehicles, electricity consumption at the offices and air travel by employees. The Group's operations, through consumption of various kinds of fossil fuel, inevitably release Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x), Particulate Matter (PM) and Carbon Dioxide (CO₂) into the air, which are considered to be one of the major sources of global warming. The Group is well aware of the impact of global warming on the planet Earth and all human. As such, the Group has been paying close attention to emissions to ensure that they comply with the industry standards, and that transparent data are communicated effectively throughout the Group to implement applicable changes, including reduction measures.

With the goal to reduce energy consumption and carbon emissions, the Group has formulated relevant rules and regulations for a sound and effective management of energy consumption, greenhouse gas ("GHG") emissions, as well as discharge of domestic waste and sewage and other pollutants. The Group strictly complies with the environmental protection laws and regulation that are applicable to our business operations. Our Group's legal team have been working closely with our business units to assess the impact of those promulgated environmental protection laws and regulations such as the "Environmental Protection Law of the PRC", the "Prevention and Control of Atmospheric Pollution of the PRC", the "Prevention and Control of Water Pollution of the PRC", the "Prevention and Control of Environmental Pollution by Solid Waste", the "National Environmental Emergency Response Plan", the Air Pollution Control Ordinance ("Cap.311 of the Laws of Hong Kong"), the Prevention of Air Pollution of Merchant Shipping Regulation ("Cap.413P of the Laws of Hong Kong"), the Water Pollution Control Ordinance ("Cap.358 of the Laws of Hong Kong") and the Waste Disposal Ordinance ("Cap.354 of the Laws of Hong Kong") etc.

Environmental, Social and Governance Report

During the Reporting Period, the Group complied with relevant laws and regulations relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.

Key Performance Indicators (“KPIs”) of Emission Management

Types of emissions and respective emissions data

Air pollutants

The emission of air pollutants by vessels is relatively lower when compared with other means of transportations, air pollution is however unavoidable during the operation of the vessel, though not detrimental under control. With respect to the vessels operating in Hong Kong. All of the vessel engines, including both main and auxiliary installed on self-owned vessels, in accordance with the revised all applicable marine diesel engines and comply with the relevant limiting emission values of NO_x as specified within regulation by the Prevention of Air Pollution of Merchant Shipping Regulation (“Cap.413P of the Laws of Hong Kong”). In line with the latest Annex VI to MARPOL requirements, the Regulation will tighten the emission standards for air pollutants generated by ships. It is a requirement that the Group’s ship management company takes relevant measures to minimise the release of pollutants into the air by continuously monitoring the efficiency of vessel equipment. The ship management company have been recorded vessels’ rated power and speed to ensure to minimise the emission of NO_x. They also regularly conduct tank cleaning, cargo measurement, sampling and gas freeing operations to reduce the emission of cargo vapour and inert gas into the atmosphere.

Types of emission	Total emissions (in tonnes)	
	2025	2024
Air emission¹		
Nitrogen Oxides (NO _x)	290.16	553.73
Sulphur Oxides (SO _x)	23.58	56.90
Particulate Matter (PM)	26.25	50.10

Note:

1. The data of vessel’s emissions was from the Maritime Safety Information (MSI) environment protection monitoring handbook and Energy Efficiency Operational Indicator (EEOI) & CO₂ emission monitoring report.

Environmental, Social and Governance Report

Waste management

The Group adheres to the principles of waste management and is committed to a sound and proper management of all waste generated during the business operations.

The practice of waste management is compliant with laws and regulations relating to environmental protection. The Group has also implemented policies to reduce waste generation through environmental education, aiming at waste management from the source.

During the Reporting Period, the Group's waste treatment meets the requirements of relevant laws and regulations.

Hazardous waste

The disposal of hazardous waste is the responsibility of an independent third party and the business partner. Some hazardous waste (such as waste oil rag, organic cleaning waste liquid, waste day light tube, waste empty container, waste dry battery, waste washing machine water and waste engine oil) must be isolated and stored in a designated container to prevent leakage and be recycled and disposed of by a licensed waste collector. The Group also arranges adequate training for its employees to ensure their safety and prepare emergency response plans to prevent leakage.

Non-hazardous waste

Non-hazardous wastes such as metals, waste residues, plastics, paper and general waste are properly classified according to recyclable waste and non-recyclable waste, and are stored in designated collection areas. The collected recyclable waste is then periodically recycled by the waste collector. The Group identifies and classifies waste, centrally stores it, and disposes it in a unified manner. The persons in charge dispose of waste in a timely manner and maintain environmental sanitation around them.

In addition, the Group is committed to establishing electronic and green headquarter operations:

- Implement a paperless office environment by encouraging digital documentation and communication.
- Promote remote work options to reduce the need for daily commuting, cutting down on carbon emissions.
- Educate employees on sustainable practices and the importance of environmental conservation.
- Prioritise materials with low environmental impact and those that can be recycled or reused
- Encourage employees to recycle and properly dispose of electronic equipment.

In 2025, the Group achieved a 14% year-on-year reduction in non-hazardous waste, while hazardous waste volumes remained stable, compared to 2024. The decrease in waste was primarily due to the disposal of one vessel in 2024.

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The table below sets out the data on total waste discharge of the Group during the Reporting Period:

Each waste discharge	Unit (in Kg)	
	2025	2024
Type of hazardous waste		
– waste dry battery	0.50	0.50
Intensity – Unit per HK\$1 million of revenue²	0.008	0.006
Type of non-hazardous waste		
– Paper	62.37	4.99
– General waste	10.47	79.61
Intensity – Unit per HK\$1 million of revenue	1.18	1.07

Sewage discharge

The Group strives to proper conduct of sewage treatment processes to avoid polluting other natural resources. The sewage discharged by corporate offices and the processing plant during the daily operations will be discharged into the municipal sewage pipe network to the regional water purification plant. Regarding discarding sewage produced onboard on the vessel, the Group complies the sewage discharge regulations in MARPOL Annex IV. The Group continues to stay vigilant on the use and application of modern technologies and installations to Improve the performance in this regard.

The table below sets out the data on total sewage discharge of the Group during the Reporting Period:

Sewage	Unit (in Kg)	
	2025	2024
Sewage discharge	5.87	9.20
Intensity – Unit per HK\$1 million of revenue	0.10	0.12

Energy Consumption

During the Reporting Period, the main types of energy consumed by the Group in its operations include diesel fuel, electricity and LPG. Due to disposal of one vessel in 2024 and office activities, there were approximately 29% decrease in the intensity of diesel fuel, approximately 52% decrease in the intensity of LPG. The Group strives to reduce energy consumption through technological upgrade, equipment renewal and enhancement of energy utilization efficiency during vessels' operations. The Group also endeavours to conserve energy saving effectively and implement procedures to control the energy resource.

Note:

2. During the Reporting Period, the total revenue of the Group was approximately HK\$61,597,000 (2024: HK\$79,172,000). Other intensity data in the ESG Report is also measured using this data.

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The table below sets out the data on energy use and emission of the Group during the Reporting Period:

Types of energy	Unit	Consumption	
		2025	2024
Diesel fuel	L	3,454,000	6,248,000
Intensity – Unit per HK\$1 million of revenue	L	56,074.16	78,916.79
Unleaded Petrol	L	–	–
Intensity – Unit per HK\$1 million of revenue	L	–	–
Electricity	kWh	8,685	7,853
Intensity – Unit per HK\$1 million of revenue	kWh	141.00	99.19
LPG	Kg	45	121
Intensity – Unit per HK\$1 million of revenue	Kg	0.73	1.53

Moreover, the Group aims to implement an energy control policy and adopt various energy-saving measures, including the use of energy-efficient equipment and configuring all printers, copiers, and computers to energy-saving mode where possible. To promote energy conservation, the Group encourages employees to cultivate energy-saving habits in the workplace, such as turning off lights and electronic appliances before leaving the office or switching off lights when not in use. These measures not only reduce energy consumption but also contribute to cost savings and promote sustainability in the workplace. By adopting these energy-saving practices, an office can significantly reduce its energy consumption, leading to cost savings and a more sustainable operation.

Water Consumption

Throughout the Reporting Period, there was no major problem about sourcing water that is fit for use in its operations. As for the offices of the Group, due to the nature of the operations, water consumption mainly arises from the daily use of water by the employees at the offices during working hours, and the domestic sewage is directly discharged into municipal sewage pipelines.

As the Group rented an office premise from an independent third party and paid management fee for the use of the common water facilities so data for the water consumption was not available.

Paper Consumption

The Group is committed to a paperless operation, constantly encouraging all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents. Reusable paper products, such as envelopes, are properly recycled whereas the use of disposable paper products, such as paper cups and paper towels, are discouraged wherever possible and appropriate during the operation.

In addition, due to the nature of business, the Group does not involve any purchase of packaging materials. Therefore, this disclosure is not applicable to the Group.

Environmental, Social and Governance Report

Environmental Protection and Natural Resources Conservation

General Disclosures and KPIs

Shipping and logistics businesses drives global trade, nevertheless, the industries still generate negative impacts on the marine environment. The Group is highly aware of the adverse impact on the environment and natural resources, and thus taking steps to minimize those negative footprints by the operation. In addition to compliance with relevant environmental laws and regulations, the Group has integrated the concept of environmental protection into its internal management and daily operation with an objective of achieving environmental sustainability including prevention measures and planned maintenance system (PMS).

Prevention Measures

The Group's shipping and logistics business adversely impacts the marine environment, through the form of, such as, air pollution, greenhouse gas emissions, releases of ballast water containing aquatic invasive species, historical use of antifoulants, oil and chemical spills, dry bulk cargo releases, garbage, underwater noise pollution, ship-strikes on marine megafauna, risk of ship grounding or sinking and widespread sediment contamination of ports during trans-shipment or ship breaking activities.

The Group requires its vessels to meet the requirements of oil pollution prevention certificates which provide assurance to the structure, equipment, systems, fittings, arrangement and materials of the vessels it operate. The awarded certificates are summarised as below:

Certificate(s)	Vessel
Under the International Oil Pollution	MV Selo

The Group requires all crews to perform regular assessment of pollution prevention measures. Further technical support will be sought if necessary. Operators are professionally trained to handle various emergency situations with due care.

Planned Maintenance System (PMS)

The Group executed the Planned Maintenance System for all vessels which allows operators to plan, perform and document vessel maintenance at intervals complying with Class and manufacturer requirements. With such a systematic approach to maintenance in place, the Group believes that we not only ensure safe and reliable vessel operations, including compliance with all applicable regulations, safety and environmental objectives set out in the ISM Code but also effectively provide a protection to the Group's assets.

In the future, the Group will continue the commitment in environmental protection and strive to build a greener and healthier environment to fulfil the responsibilities as a member of the community we all live in.

Environmental, Social and Governance Report

Climate Change

As climate change is becoming increasingly prevalent and its effects are becoming more visible, we understand the risks and opportunities associated with climate change. We are deeply aware of the potential impacts of climate change on our business and the communities we serve, and supporting the global effort to limit temperature rise to well below 1.5°C, as outlined in the Paris Agreement.

Climate change introduces new considerations and risks that influence how the Group plans and executes its activities, supported by HKFRS S2-aligned analysis to assess and manage impacts across operations.

Material Topic	Impact	Management Approach	Risk and Opportunity Identified Under HKFRS
Climate Change	Physical risks such as extreme weather may disrupt operation; transition risks include evolving policies and market expectations.	Conducted HKFRS S2-aligned analysis and developed mitigation strategies to address both physical and transition risks across the value chain.	<p>Risk Physical climate risks (such as extreme weather events) and transition risks (including evolving climate policies) may disrupt operations and increase costs.</p> <p>Opportunity Adopting low-carbon strategies can enhance organizational resilience.</p>

Governance

The Board provides oversight of the Group's sustainability strategy, including its approach to environmental and climate-related matters through a combination of relevant expertise, and the engagement of external consultants where appropriate. The Climate-related matters is delegated to management. Management supports this oversight by assessing operational requirements and proposing initiatives that integrate climate considerations into day-to-day decision-making and business practices. Management also oversees implementation, monitors performance against targets, consolidates inputs from relevant functions, and reports material issues to the Board.

The Board conducts an annual review of climate-related risks and opportunities, which are identified through our systematic materiality assessments and integrated risk review processes. Relevant controls and procedures are reviewed regularly by management to ensure effectiveness.

The Group will continue exploring the feasibility of setting a long-term climate-related or carbon neutrality target within its transition plan.

Strategy

Climate-related risks and opportunities

Over recent years, the Group has progressively assessed how evolving climate conditions may affect its operating costs, particularly higher ship maintenance costs and increase in insurance cost. Key considerations include the potential for extreme weather events to disrupt timely delivery of goods, as well as the impact of rising temperatures on vessel performance, and overall operational efficiency.

Environmental, Social and Governance Report

In response, the Group has embedded responsible practices into its workflows and remuneration, such as developing energy-efficient vessels, reusing materials where possible, and developing environmentally themed campaigns. These initiatives support a proactive response to climate-related challenges while aligning with our creative and operational objectives.

The Group has also explored a range of climate-related scenarios to better understand how future developments may influence the business. These insights inform strategic awareness and planning, supporting the continued development of a resilient and sustainable creative enterprise.

The following summarizes the risk mitigation measures implemented to manage these risks and harness related opportunities.

In accordance with our strategic planning, the Group categorizes climate risks and opportunities into the following time horizon:

- Short-term: 1-3 years
- Medium-term: 3-10 years
- Long-term: Over 10 years

Climate Risks	Impacts	Impact Timeframe		Mitigating Measures
		Current Policies	Below 2 °C	
Physical Risks				
Acute (extreme weather events)	<ul style="list-style-type: none"> • Increase in maintenance costs • Decrease in revenue due to transportation difficulties 	<ul style="list-style-type: none"> • short-term • Medium-term to Long-term 	<ul style="list-style-type: none"> • Medium-term • Medium-term 	<ul style="list-style-type: none"> • Carry out daily maintenance and inspection • Update weather information on a daily basis
Chronic (rising temperatures)	<ul style="list-style-type: none"> • Affect worker productivity, health and safety 	<ul style="list-style-type: none"> • Long-term 	<ul style="list-style-type: none"> • Medium-term 	<ul style="list-style-type: none"> • Provide routine physical examinations to look after employees' mental and physical health
Transition Risks				
Policy and Legal	<ul style="list-style-type: none"> • Increase in operating costs 	<ul style="list-style-type: none"> • Medium- term to Long-term 	<ul style="list-style-type: none"> • Medium-term to Long-term 	<ul style="list-style-type: none"> • Promote alternative energy sources

Based on the current assessment, no material adjustments are anticipated for the next Reporting Period. The Group will continue to monitor relevant developments and review its position as appropriate.

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Climate Related Opportunities Disclosure

Climate Opportunity	Time Horizon	Financial Impact	Strategic Response	Target/Metric
Energy efficiency	Medium-term	Lower operating costs	Conduct annual energy audits; implement energy management system	Reduce energy intensity by 10% by 2030
Renewable energy transition	Short to Medium-term	Reduce energy price risk; improve resilience	Install ~2MW deck or top of hold solar by 2028; procure renewable electricity	20% of renewable energy in total electricity consumption
Low-carbon products	Long-term	Revenue growth from sustainable products	Invest in R&D for recycled materials and eco-design	50% of products certified as low-carbon/eco-friendly
Green market access & financing	Medium to Long-term	Market expansion; access to green financing	Obtain sustainability certifications; align with HKEX/TCFD disclosures	Expand green contracts; total green financing secured
Climate-resilient assets	Long-term	Reduce climate disruption risk	Invest in flood protection, backup systems and supply chain diversification	20% of critical assets climate-proofed
Reputation & transparency	Ongoing	Enhance stakeholder confidence and brand value	Publish HKEX Appendix C2/TCFD-aligned disclosures annually	Maintain CDP rating of "B" or above

Climate resilience

To support the climate resilience and capture emerging opportunities, the Group utilizes a diversified funding strategy including internal resources and external financing. Our capital allocation and asset disposal plans are prioritized as follows:

	Short to Medium-term	Medium-term	Long-term
Investment plan	Upgrade existing facilities and equipment of the vessel with approximately HK\$5,000,000	Expansion of industrial intelligent robotic solutions with approximately HK\$10,000,000	Replacement of a younger vessel

Environmental, Social and Governance Report

Due to the nature of the Group's rental of MV Selo vessel business, it has not yet conducted a formal climate-related scenario analysis during the Reporting Period. This is primarily because of:

- (i) limited internal data on certain physical risk exposures across the rental customer's vessel routes; and
- (ii) current constraints in modelling capabilities and resources for quantitative scenario analysis.

The Group will continue to monitor climate-related developments and assess their potential impacts on its business model and financial performance. The results of planned climate-related scenario analysis will be disclosed in future reporting, where appropriate.

Climate Strategy and Decision-making

Financial Exposure

Time Horizon	Revenue Impact	Cost Impact	Overall Financial Sensitivity
Short-term	Reduced sailing speeds implemented by lessees have led to lower vessel utilisation efficiency and corresponding reduction in rental income.	No material increase in direct operating costs as fuel.	Moderate (Revenue-driven)
Medium-term	Potential downward pressure on charter rates if compliance costs increase for operators. Market preference may shift toward more energy-efficient vessels.	Limited direct cost exposure; possible incremental technical compliance costs.	Moderate
Long-term	Long-term demand for conventional vessels may decline if industry transitions to alternative fuels. Rental attractiveness and lease renewal terms may be affected.	Potential impairment risk or accelerated depreciation if asset obsolescence occurs.	Elevated (Asset value sensitivity)

Environmental, Social and Governance Report

Maintenance Exposure

Time Horizon	Maintenance Impact	Financial Exposure	Risk Assessment
Short-term	The Group bears only minimal maintenance expenses under the vessel leasing model. Decarbonisation measures such as slow steaming do not significantly increase maintenance requirements.	No material increases in maintenance costs identified.	Low
Medium-term	Due to extreme weather and geopolitical factors, vessels may be subject to damage. Potential regulatory requirements may require periodic technical upgrades (e.g. energy efficiency improvements) depending on classification standards and industry compliance requirements.	Possible moderate increase in maintenance or upgrade-related capital expenditure if required to maintain vessel competitiveness.	Moderate
Long-term	Structural transition to low-carbon fuels and new propulsion technologies may affect the technical relevance of existing vessels. Older vessels may require retrofitting to remain marketable.	Potential capital expenditure for retrofit or earlier asset replacement. Impact on residual asset value may be more significant than routine maintenance costs.	Moderate to Elevated

Risk Management

The Group integrates climate-related risks into its overall risk management framework alongside strategic, financial, compliance, and operational risks. A structured process is in place to identify, assess, manage, and monitor climate-related risks and opportunities.

The challenges for the year 2025 highlight the need to identify potential risks within the business environment. This includes market volatility, regulatory changes, and societal expectations around environmental, social, and governance (ESG) factors. The Group's cautious and vigilant approach indicates a thorough assessment of risks associated with investments and operations. The Group's board and directors involve evaluating the likelihood and potential impact of identified risks on business objectives. By adopting a sustainable approach to business, the Group employs risk mitigation strategies that not only safeguard financial interests but also enhance reputation and stakeholder trust.

Environmental, Social and Governance Report

Physical risks, such as extreme weather or operational disruptions, particularly affect the shipping business. Transition risks, including policy and legal changes, are evaluated for likelihood and impact, supported by qualitative assessment based on available information where feasible. Climate-related opportunities are monitored from policy guidance and market trends, including growing demand for low-carbon operations.

The Group continuously monitors risks and manages them through mitigation and risk transfer measures, including operational controls and insurance coverage where appropriate. Commitment to transparency, regular assessment, and reporting ensures alignment with risk management objectives, ESG initiatives, and stakeholder expectations. The Group continues to enhance its risk management processes to strengthen governance, oversight, and accountability.

Metrics and Targets

GHG emissions

Fuels combustion for powering engines is the major source of greenhouse gas of the Group's vessel. The ship's fuel oil limits SO_x and PM emissions not exceed 0.5% m/m (after 1 January 2020) when operating outside of an Emission Control Area (ECA); and no more than 0.1% m/m (on and after 1 January 2015) when operating inside an ECA, as specified in the regulation 14 of Annex VI to MARPOL Conventions. The vessel also adopts weather routing, which is a means to minimize the usage of fuels by planning routes according to the weather, in a bid to lower the GHG emission. For the vessels' operation, both of the Group and its ship management company ensure compliance with all applicable environmental and related legislation by monitoring energy efficiency, as a result the collected data can also use for further improvements.

In addition, the use of battery, business travel and the disposal of paper during the daily operations also play a small part in the GHG. The Group has actively adopted the electricity-saving and energy-saving measures to reduce GHG emissions at the headquarter, including:

- Turn off equipment, machines and electronic devices after office hours;
- Make fully use of the online system in the offices, general transaction notification, data transmission, etc. through the network system;
- Use telecommunication system and video conferencing to replace unnecessary travel arrangements wherever appropriate and possible.
- Require employees to copy or print on both sides as much as possible;
- Use both sides of offices paper as much as possible;
- Collect and recycling waste paper by the administrative department; and
- Dispose of waste packaging boxes as "recyclable" waste.

Throughout the Reporting Period, the Group did not utilize carbon credits to offset its emissions and its GHG target was not derived using a sectoral decarbonisation approach in 2025. At present, the Group is identifying a recongized scheme in order to use carbon credits to offset GHG emissions. The Group has implemented effective energy-saving strategies during daily operations to minimize vessels' contribution to air pollution and GHG emission. As the result, a significant decrease of 49% in the air emission and 48% in the total GHG emissions.

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Internal carbon prices

The Group did not implement an internal carbon price during the Year. However, we will continue to monitor market carbon prices and developments in carbon tax regulations in order to minimize related climate-related risks.

The following table summarizes the KPIs of the Group's overall emissions management:

Types of Emissions	Total emissions (in tonnes of CO ₂ e)	
	2025	2024
GHG Emissions³		
Scope 1 (direct energy – diesel fuel and LPG combustion)	9,038.55	17,303.80
Scope 2 (indirect energy – Hong Kong office electricity)	6.86	6.20
Scope 3 (Other indirect ⁴ – upstream):		
– Waste generated in operations	0.04	–
Total GHG emissions (Scope 1 and 2)	9,045.41	17,310.00
Intensity of GHG emission (Scope 1 and 2) – Unit per HK\$1 million of revenue	146.9	218.6

Note:

- Greenhouse gas emission data are presented in terms of carbon dioxide equivalence with reference to the requirements of, including but not limited to, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard published by the World Resources Institute and the World Business Council for Sustainable Development, the Reporting Guidance on Environmental KPIs published by the Stock Exchange and the 2024 Sustainability Report published by HK Electric Investments and HK Electric Investments Limited. The relevant measurement approach, inputs and assumptions adopted by the Group remain consistent with those used in 2024.
- Other indirect GHG emissions (Scope 3) that occur in the upstream and downstream activities of the Group. The significant contribution is mainly from Category 5: Waste generated in operations as defined by the GHG Protocol. Due to data limitations, Scope 3 downstream was not performed in 2025. Emission factors adopted are from the "Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance" issued by the Department for Energy Security and Net Zero of the UK.

Environmental, Social and Governance Report

Climate-related targets

For each of the established goals, the corresponding measures to achieve these goals will be disclosed in detail in the “Emissions”, “Waste Management” and “Energy consumption” sections. The table below outlines the goals set by the Group:

Aspect	Goal	Progress
Emissions	Taking the fiscal year ended 31 December 2025 (“2025”) as the base year (i.e., 146.9 tons of CO ₂ e/HK\$1 million revenue), the Group will gradually reduce its greenhouse gas emissions (Scope 2) intensity by 20% by the fiscal year ended 31 December 2028 (“2028”).	In progress
	The Group provided at least one environmental training or activity for employees in 2025 to raise their awareness of climate change and/or low-carbon lifestyles.	Achieved
Waste Management	Taking 2025 as the base year (i.e., 1.18 kgs/HK\$1 million revenue), the Group will gradually reduce its non-hazardous waste intensity by 20% by the fiscal year ended 31 December 2028 (“2028”).	In progress
	The Group organised at least one waste reduction activity in 2025.	Achieved
Energy Consumption	Taking 2025 as the base year (i.e., 56,074.16 L/HK\$1 million revenue), the Group will gradually reduce the diesel fuel consumption intensity by 20% by the fiscal year ended 31 December 2028 (“2028”).	In progress
	The Group organised at least one energy conservation activity in 2025.	Achieved

III. SOCIAL

Major Scope & Aspects

The Group makes an effort to provide a safe working environment for the employees and to care for the overall wellbeing of the employees. In relation to employment and labour practices, the human resource department focuses on employment, health, safety, development and training. The Group complies with laws and regulations on compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity and other benefits as well as anti-discrimination law.

Environmental, Social and Governance Report

Employment and Labour Practices

General Disclosure

The Group strictly follows the relevant laws and regulations. The Group determines salaries on the principle of fairness and ensures that wages are no lower than the minimum wage stipulated by law. Wages in related markets are also referenced, so that the Group can provide attractive compensation. The Group offers a variety of allowances to qualified employees, and provides staff members with retirement protection plans, as stipulated by law and regulations. The Group welcomes diversity in its staff members. Regardless of ethnicity, religion, gender or age, all people receive equal employment opportunity in such matters as recruitment, development, promotion and training.

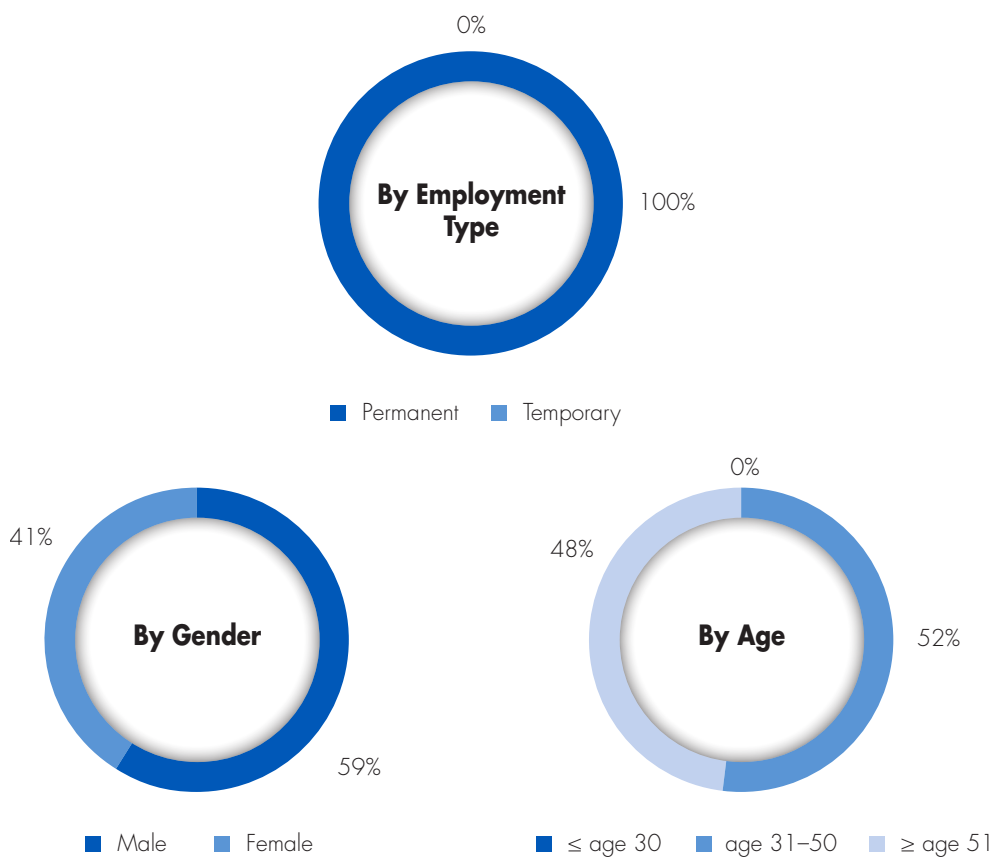
The Group views employees as the foundation of business growth and success. We remain committed to prioritising employee development, offering competitive benefits, and maintaining fair and safe working conditions to support staff retention. During the Reporting Period, the Group had 27 employees (2024: 19 employees) from Mainland and Hong Kong. There was an employee left the company due to personal reasons and staffs' re-arrangement and 8 employees was recruited in the reporting period. The turnover rate was approximately none. The Group decides the remunerations payable to its staff based on their duties, work experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees.

The Group complies with the Labour Law of Hong Kong and relevant employment laws and regulations throughout the Reporting Period, including the Labour Law of the PRC (the "Labour Law"), the Labour Contract Law of the PRC (the "Labour Contract Law"), the Mandatory Provident Fund Schemes Ordinance ("CHAPTER 485 of the Laws of Hong Kong") by participating in the Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") for the eligible employees, the Minimum Wage Ordinance ("CHAPTER 608 of the Laws of Hong Kong"), the Employment Ordinance ("CHAPTER 57 of the Laws of Hong Kong") (the "EO") and the Employees' Compensation Ordinance ("CHAPTER 282 of the Laws of Hong Kong") (the "ECO") by offering competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to the employees.

Environmental, Social and Governance Report

The table below sets out the employees are classified by employment type, gender, ranking and age group during the Reporting Period:

	By employment type		By gender		By age		
	Permanent	Temporary	Male	Female	≤age 30	age 31-50	≥age 51
Total employees	27	–	16	11	–	14	13



Environmental, Social and Governance Report

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in respect of human resources.

Equal opportunities and anti-discrimination

With an objective to uphold an open, fair, just and reasonable human resource policy, the Group recruits and promotes employees based on virtues, skillsets and experience, irrespective of gender, age, race, religion, political affiliation, national origin, and/or disability.

The Group constantly monitors its employees' performances. Newly admitted employees will have a 3-month probation period and then they will be able to join the Group, permanently.

The Group also provides comprehensive support for its female employees. It provides comprehensive support for pregnant employees in accordance with the law. The female employees are allowed to return to their original jobs after childbirth. Also, during their pregnancy period, the Group prohibits its pregnant employees from performing physically demanding assignments to ensure the safety of both the child and mother.

During the Reporting Period, we continued to strictly follow the relevant laws and regulations and our employment policies, providing competitive remuneration package, including internal promotion opportunities and performance-based bonus, to recruit and retain our experienced employees. We also provided a formal complaints procedure for employees to express their opinions.

Health and Safety

General Disclosure

In the maritime world, education and training are vital. But their importance extends far beyond shipping itself. The safety and security of life at sea, the protection of the marine environment and the efficient movement of global trade depend on the professionalism and competence of seafarers. The Group complies with IMO's International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW).

During the daily operation, the Group emphasizes on health and safety and attaches great importance to health protection and a safe working environment as it firmly upholds the principle of "safety first and prevention prevails". The Group complies with the Labour Law, the Work Safety Law of the PRC, the Fire Control Law of the PRC, the Occupational Safety and Health Ordinance ("Cap. 509 of the Laws of Hong Kong"), by ensuring that the employees are working in a safe environment; as well as providing induction programs and safety training programs to new employees such that they can be familiar with the corporate policies in relation to health and safety matters as quickly as they can.

Environmental, Social and Governance Report

In addition, the Group maintains the risk management system including identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries. The Group has taken the following measures:

- Keep all floors clean and dry to prevent trips, slips and falls;
- Wear appropriate clothing and shoes for the workplace;
- Store all materials and equipment properly;
- Conduct routine preventive maintenance of equipment, facilities, and controls to help prevent incidents due to equipment failure;
- Set up posters of proper working postures and lifting method accessible on the intranet and at appropriate locations in offices;
- Conduct fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency; and
- Improve the fire evacuation plans by providing first aid kits and fire extinguishers in workplace in response to emergencies.

In the past three years, including this reporting year, the Group did not encounter any material injuries or casualties. In addition, the Group did not record any accidents that resulted in death or serious bodily injury, did not pay any reimbursements or compensations to the Group's employees due to such accidents, and was not aware of any major violations against laws and regulations related to employees' health and safety.

Development and Training

General Disclosure

Talent development is an important part of the Group's strategy for managing human resources. Being closely related to corporate sustainable development, training can enhance the overall quality of staff members, and this enables them to adapt to new job requirements, as well as improve their capabilities to perform their current duties. It can also help staff members to seize opportunities for promotion and meet their aspirations for career. The Group provides effective training for staff members and formulates a clear path for promotion to ensure that the staff members are equipped with the necessary skills. This also helps the Group to groom outstanding staff to be the successors and foster enthusiasm for learning within the Group.

Environmental, Social and Governance Report

To match the Group's development strategy and meet the demand for training, the human resources and administrative personnel collaborate with various departments to provide regular and ad hoc training for different types of employees so that they can meet the specific requirements of their positions. The Group encourages and supports employees to participate in personal and professional trainings in response to the relevant evolving market needs, such as changes in laws and regulations, market trends, product trends and customer behaviours. Based on the needs of individual employees, the Group also provides education allowances to facilitate improvement of their job skills and encourage them to maintain the non-stop learning spirit.

Furthermore, the Group is committed to supporting its employees to maintain a family-friendly work environment because it respects their roles and responsibilities in their families. The Group strives to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment. The Group brings in new recruits and equip them with necessary skill sets to develop a long-term rewarding career with it.

The table below sets out the employee training status of the Group during the Reporting Period:

Training received per employee (Hong Kong)	Average Training Hour	in %
By ranking		
Senior Staff	12	88%
Mid-level Staff	–	–
Junior Staff	–	–
By age		
≤age30	–	–
age31-50	7	21%
≥age 51	22	31%
By gender		
Male	12	25%
Female	–	–

Environmental, Social and Governance Report

Labour Standards

General Disclosure

Being fully aware that exploitation of child and forced labour violates human rights and international labour conventions, the Group strictly prohibits the employment of any child labour and forced labour. New employees are required to provide true and accurate personal data when they are onboard. Recruiters should strictly review the entry documents including medical examination certificates, academic certificates and identity cards. The Group constantly rejects to engage business partners & suppliers, that hire child labour or forced labour in their operations, to provide administrative supplies and services.

The Group strictly complies with the relevant laws and regulations, including but not limited the Labour Law of the PRC, the Provisions on the Prohibition of Using Child Labour of the PRC, and the Employment Ordinance (EO).

During the Reporting Period, no material non-compliance with the laws and regulations related to the prevention of child labour or forced labour have been found by the Group.

Supply Chain Management Mechanism

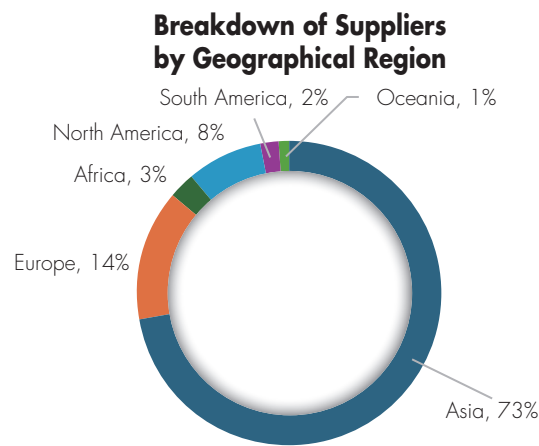
General Disclosure

The Group believes the value in ethics, honesty and integrity, operating in compliance with applicable laws and regulations. The Group encourages the business partners/suppliers to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business. We collaborate closely with business partners, suppliers and contractors through an improved market management and centralised procurement system. Advanced technology is also widely utilised in all operations to monitor all purchases and sales transactions. All our processes for procurement, price control, resource management are carefully monitored and documented. In order to guarantee the safety of our products and services, every single purchase is registered with the authority before being put to use and sold. We try to reduce the environmental impact of our supply chain by reducing waste and improving the efficiency with which resources such as water and energy are used. We examine opportunities for reuse and recycling of materials and packaging.

In addition to purchasing products and services according to the specified standards, we have developed business partners, suppliers and contractors' selection mechanism in which we require our potential contractors or suppliers to comply with all the applicable laws and regulations and confirm their compliance with safety, environment, and social aspects. Inspection and assessments may be conducted by the Group if deemed necessary. We insist that our suppliers have policies designed to reduce waste, raw material use and energy and water consumption, and to use renewable resources wherever possible. We are obliged to terminate the cooperation contract with business partners, suppliers and contractors that may cause or have caused serious pollution or serious social accidents.

Environmental, Social and Governance Report

Throughout the Reporting Period, the Group adopted a supplier directory with a total of 2,127 suppliers supporting its vessel operations, the majority of which were located in Asia. Under the same terms and conditions, we prioritised a mutually beneficial partnership with the suppliers. With the application of scientific technology in logistic management, the Group are committed to shortening material delivery time, while controlling warehouse storage and delivery pressure, reducing vehicle emissions and negative impact on the environment.



The Group believes that, through the above review process, we can minimise the potential environmental and social risks associated with the supply chain management.

Product Responsibility

General Disclosure

To be a successful business, we maintain continuous communication with our customers to ensure that we understand and fulfil their needs and expectations, so that we can improve the quality of our services in the long run. The Group is committed to the highest standards of service we deliver. Our operation complies with relevant laws and regulations in relation to advertising, labelling and consumer protection, such as the Consumer Protection Law of the PRC, the Advertising Law of the PRC, the PRC Product Quality Law, and the Trade Description Ordinance (“Cap. 362 of the Laws of Hong Kong”) by ensuring that there are no false and misleading messages in our advertisements and promotion activities. The Group also carries out continuous and regular assessment of the product quality and review of opportunities for improvements and changes.

During the Reporting Period, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products and services.

Feedback Management

The Group has set up various complaints and feedback channels, such as guest comment cards, telephone hotline, social media channels, emails and websites, to collect suggestions and advice from customers. During the Reporting Period, the Group did not receive any complaints from the customers.

Environmental, Social and Governance Report

Privacy Protection

The Group is committed to compliance with the privacy laws and regulations. The Group undertakes to strictly comply with the requirements of the Personal Data (Privacy) Ordinance (“Cap. 486 of the Laws of Hong Kong”), to ensure that all data are securely kept in our internal system with access control.

The Group also set out data privacy requirements in our corporate policies, under which customer and supplier data would be used exclusively for matters relating to the Group’s operation only. The Group strives to ensure all collected data kept is free of unauthorised or accidental access, processing, erasure or other use.

Intellectual Property Rights Management

The Group relentlessly reinforces the protection of intellectual property rights. Pursuant to the Patent Law of the PRC, the Trademark Law of the PRC, the “Patents (Amendment) Ordinance 2016” of Hong Kong and the “Patents (General) (Amendment) Rules 2019” of Hong Kong and other relevant laws and regulations, the Group has established and perfected an intellectual property rights management system that clearly stipulates regulations and requirements for the application, management, use and protection of customers’ and its own intellectual property rights. This management system successfully raised the awareness of the entire staff about intellectual properties and trademarks, fully actualised the value of intellectual property rights in its operation, and thus protected its corporate interests.

During the Reporting Period, there were no cases of product recall nor complaints received against our services due to health and safety issues.

Anti-corruption Mechanism

General Disclosure

The Group maintains a zero-tolerance policy toward misconduct, corruption, and malpractice. Employees are strictly prohibited from engaging in activities such as offering, paying, soliciting, or accepting bribes, as well as participating in any fraudulent actions. We consistently emphasise the importance of integrity, reinforce the Group’s unwavering position against corruption, and promote adherence to the highest standards of ethical conduct among all employees. The Employee Handbook has been developed and updated to reflect the spirits and provisions of the Prevention of Bribery Ordinance (“Cap. 201 of the Laws of Hong Kong”). All employees, not only have responsibility to understand and comply with above policies, but also have an obligation to report violation, to the senior management of the Group. Any person, who contravenes the regulations will be reported to the authorities.

In order to strengthen the anti-corruption measures, the Board has delegated a team to carry out anticorruption measures, commence special issues auditing and supervision processes in due course, investigate loopholes and rectify faults, and review the legality, reasonableness of practices and stringency of implementing anti-corruption measures in respective businesses. The management of each subsidiary of the Group also dedicates itself to promoting an anti-corruption culture and carrying out the anti-corruption measures. The Group establishes and improves various internal systems to specify the anti-corruption management disciplines and conduct requirements of the Company, so that corruption can be eliminated with the help of an established system and better management approach.

Environmental, Social and Governance Report

Meanwhile, the Group participated in anti-corruption training, campaigns to educate the public on how to comply with law and case analysis so as to promote the importance of anti-corruption practices. The Group sets up various channels such as telephone hotlines, an email address and mailbox for whistleblowing. Dedicated staff members collect and sort reported information on a regular basis, as well as oversee and investigate reported matters referred to the audit department. The Group also adopts various measures to encourage staff members to proactively report acts of violation of rules and regulations, and strengthens the privacy protection of the whistleblower.

During the Reporting Period, the Group was not aware of any corruption litigation cases against the Group or its staff members.

Community Investment

General Disclosure

The Group promotes the social contribution of all members. We attach great importance to inspire a sense of social responsibility in employees and encourage them to make greater contribution to our community both at work and in their spare time. Looking ahead, the Group will continue to focus on community services, motivate employees to actively participate in volunteer services in the future. We strive to increase our social investment to create a better environment for our community as well as our business.

In addition, the Company maintains an open channel of communication with its stakeholders and communities to understand their motivations, goals and needs through continuous conversation in order to achieve the Group's contributions in corporate social responsibility activities.

Environmental, Social and Governance Report

IV. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Aspects, General Disclosures and KPIs	Description	Section/Statement
A	ENVIRONMENTAL	
Aspect A1	Emissions	ENVIRONMENTAL – Emissions
KPI A1.1	Types of emissions and respective emissions data	ENVIRONMENTAL – KPIs of Emission Management
KPI A1.2	[Repealed 1 January 2025]	
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	ENVIRONMENTAL – Waste management- Hazardous waste
KPI A1.4	Total non-hazardous waste produced and intensity	ENVIRONMENTAL – Waste management – Non-hazardous waste
KPI A1.5	Description of measures to mitigate emissions and results achieved	ENVIRONMENTAL – Emissions
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	ENVIRONMENTAL – Waste management
Aspect A2	Use of Resources	ENVIRONMENTAL – Environmental Protection and Natural Resources Conservation
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	ENVIRONMENTAL – Energy Consumption
KPI A2.2	Water consumption in total and intensity	Not applicable to the Group's core operation.
KPI A2.3	Description of energy use efficiency initiatives and results achieved	ENVIRONMENTAL – Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	ENVIRONMENTAL – Water Consumption

Environmental, Social and Governance Report

Aspects, General

Disclosures and KPIs	Description	Section/Statement
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Not applicable to the Group's core operation.
Aspect A3	The Environment and Natural Resources	ENVIRONMENTAL – Environmental Protection and Natural Resources Conservation – General Disclosures and KPIs
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	No significant impacts of activities on the environment and natural resources during the Reporting Period.
Aspect A4	[Repealed 1 January 2025]	
KPI A4.1	[Repealed 1 January 2025]	
B	Social	

Employment and Labour Practices

Aspect B1	Employment	SOCIAL – Employment and Labour Practices
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	SOCIAL – Employment and Labour Practices
KPI B1.2	Employee turnover rate by gender, age group and geographical region	SOCIAL – Employment and Labour Practices
Aspect B2	Health and Safety	SOCIAL – Health and Safety
KPI B2.1	Number and rate of work-related fatalities	None of work-related fatalities during the Reporting Period.
KPI B2.2	Lost days due to work injury	None of days due to work injury during the Reporting Period.

Environmental, Social and Governance Report

Aspects, General

Disclosures and KPIs	Description	Section/Statement
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	SOCIAL – Health and Safety
Aspect B3	Development and Training	SOCIAL – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category	SOCIAL – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category	SOCIAL – Development and Training
Aspect B4	Labour Standards	SOCIAL – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	SOCIAL – Labour Standards
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	SOCIAL – Labour Standards
Operating Practices		
Aspect B5	Supply Chain Management	SOCIAL – Supply Chain Management Mechanism
KPI B5.1	Number of suppliers by geographical region	SOCIAL – Supply Chain Management Mechanism
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	SOCIAL – Supply Chain Management Mechanism
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SOCIAL – Supply Chain Management Mechanism
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SOCIAL – Supply Chain Management Mechanism

Environmental, Social and Governance Report

Aspects, General Disclosures and KPIs	Description	Section/Statement
Aspect B6	Product Responsibility	SOCIAL – Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group’s core operation.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	No products and service related complaints received during the Reporting Period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Not applicable to the Group’s core operation.
KPI B6.4	Description of quality assurance process and recall procedures	Not applicable to the Group’s core operation.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	SOCIAL – Privacy Protection; Intellectual Property Rights Management
Aspect B7	Anti-corruption	SOCIAL – Anti-corruption Mechanism
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	No concluded legal cases regarding corrupt practices during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	SOCIAL – Anti-corruption Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff	SOCIAL – Anti-corruption Mechanism
Aspect B8	Community Investment	SOCIAL – Community Investment
KPI B8.1	Focus areas of contribution	SOCIAL – Community Investment

Environmental, Social and Governance Report

Aspects, General

Disclosures and KPIs	Description	Section/Statement
KPI B8.2	Resources contributed to the focus areas	SOCIAL – Community Investment

Part D: Climate-related

Disclosures	Description	Section/Declaration
Governance	<p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and</p>	<p>Stakeholder Engagement;</p> <p>Climate change – Governance</p>

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
	<p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	

Strategy

Climate-related risks and opportunities	<p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;</p> <p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p> <p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p> <p>(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	<p>Climate change – Strategy; ENVIRONMENTAL – Emissions</p>
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Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
Business model and value chain	<p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and</p> <p>(b) a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	<p>Climate change – Strategy</p>
Strategy and decision-making	<p>22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p>	<p>Climate change – Strategy;</p> <p>Climate change – Metrics and Targets;</p> <p>Emissions – Energy Consumption</p>

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Climate change – Governance
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Climate change – Metrics and Targets – Climate-related targets
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Climate change – Strategy; Climate change – Metrics and Targets; Emissions – Energy Consumption
	23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Climate change – Metrics and Targets
Current financial effect	24. An issuer shall disclose qualitative and quantitative information about:	Climate change – Strategy – Climate-related risks and opportunities
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
Anticipated financial effect	<p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	Climate change – Strategy – Climate resilience
Climate resilience	<p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and</p>	Climate change – Strategy – Climate resilience

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
	(b) how and when the climate-related scenario analysis was carried out, including:	Climate change – Strategy – Climate resilience
	(i) information about the inputs used, including:	
	(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
	(2) whether the analysis included a diverse range of climate-related scenarios;	
	(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
	(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
	(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6) time horizons the issuer used in the analysis; and	
	(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
	<ul style="list-style-type: none"> (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out. 	
Risk Management	<p>27. An issuer shall disclose information about:</p> <ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritizes climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritize and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and 	<p>Climate change – Risk Management</p> <p>Climate change – Strategy – Climate resilience</p>

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
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- (c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.

Metrics and Targets

GHG emissions

- | | |
|---|---|
| <p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. | <p>Climate change –
Metrics and Targets</p> |
| <p>29. An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and | <p>Climate change –
Metrics and Targets</p> |

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
	<p>(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</p> <p>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</p> <p>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p>	
Climate-related transition risks	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate change – Strategy
Climate-related physical risks	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate change – Strategy
Climate-related opportunities	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate change – Strategy
Capital deployment	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate change – Strategy
Internal carbon prices	34. An issuer shall disclose: <p>(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and</p> <p>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</p>	Climate change – Metrics and Targets

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
Remuneration	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Climate change – Governance
Industry-based metrics	36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Climate change – Metrics and Targets
Climate-related targets	37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and 	Climate change – Metrics and Targets – Climate-related targets

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	Climate change – Metrics and Targets – Climate-related targets
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Climate change – Metrics and Targets – Climate-related targets
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross GHG emissions target; 	Climate change – Metrics and Targets – Climate-related targets

Environmental, Social and Governance Report

Part D: Climate-related

Disclosures	Description	Section/Declaration
	<ul style="list-style-type: none"> (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	
<p>Applicability of cross-industry metrics and industry-based metrics</p>	<p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider (i) the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	<p>Climate change – Metrics and Targets</p>

Independent Auditor's Report



FORVIS MAZARS CPA LIMITED
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To the members of **Asia Energy Logistics Group Limited**
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Asia Energy Logistics Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 91 to 160, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

Independent Auditor's Report

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 year. 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

Determination of whether the Group has control over a subsidiary governed under a series of contractual arrangements

Refer to notes 4 and 33 to the consolidated financial statements

The Group, through its indirect wholly owned subsidiary, Beijing Beixi Business Consultancy Co., Ltd. ("Beixi Business") (北京北西商務諮詢有限公司), entered into a series of contractual arrangements (the "Contractual Arrangements") with Beijing Beishang Xidian Technology Co., Ltd.* ("Beishang") (北京北商西電科技有限公司) and the legal equity holders of Beishang. The Group, through the Contractual Arrangements, has exposure and rights to variable returns from its involvement with Beishang and has ability to affect those returns through its power over Beishang. Therefore, the Group is considered to have control over Beishang.

In determining the extent of the Group's involvement with and control over Beishang, the management considered a number of factors including whether the Group has: (i) exercised effective financial and operational control over Beishang; (ii) exercised equity holders' voting rights of Beishang; (iii) received substantially all of the economic interest returns generated by Beishang in accordance to the amount of equity interest held by the Group and/or the Contractual Arrangements; (iv) obtained an irrevocable and exclusive right to purchase the entire equity interest in Beishang from the respective equity holders; and (v) obtained a pledge over the entire equity interest of Beishang from their respective equity holders under the Contractual Arrangements, as appropriate.

We identified the above matter as a key audit matter because Beishang is material to the Group and the determination of whether the Group has power to control over Beishang involves a significant degree of management's judgement.

Our key procedures, among others, included:

- Evaluating the terms in the Contractual Arrangements in connection with the Group's control over Beishang;
- Understanding how the Group controls the daily business operation and financing activities of Beishang;
- Evaluating the management's assessment in relation to the control over Beishang according to HKFRS 10;
- Obtaining a legal opinion from the Company's PRC legal counsel regarding whether the Contractual Arrangements are (i) in compliance with relevant PRC laws and regulations; and (ii) legally binding and enforceable; and
- Evaluating the Company's PRC legal counsel's competence, capabilities and objectivity.

* For identification purpose only

Independent Auditor's Report

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2025 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

The directors are also responsible for overseeing the Group's financial reporting process. Those charged with governance assist the directors in discharging their responsibility in this regard.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Companies Ordinance, 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.

Independent Auditor's Report

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

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

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

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.

Independent Auditor's Report

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

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong, 16 March 2026

The engagement director on the audit resulting in this independent auditor's report is:

So Chun Wai

Practising Certificate Number: P07513

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Continuing operations			
Revenue	6	61,597	48,142
Cost of revenue		(56,661)	(41,212)
Gross profit		4,936	6,930
Other income	7	3,800	1,772
Staff costs	8(b)	(11,402)	(21,140)
Depreciation		(4,108)	(5,861)
Legal and professional fees		(4,261)	(5,061)
Motor vehicles expenses		(823)	(1,396)
Research and development costs		(681)	(749)
Office expenses		(1,029)	(1,896)
Other administrative and operating expenses		(1,933)	(9,540)
Change in fair value of financial assets at FVPL	20	(719)	(7,249)
Loss on disposal of financial assets at FVPL	8(c)	(7,824)	(5,441)
Gain on disposal of subsidiaries	31	1,040	–
Impairment loss on goodwill		–	(1,026)
Impairment loss on other receivables		–	(1,337)
Written off of intangible asset	16	(1,000)	–
Written off of other receivables	19(b)	(1,553)	–
Finance costs	8(a)	(190)	(429)
Loss before tax from continuing operations	8	(25,747)	(52,423)
Income tax expense	11	–	–
Loss for the year from continuing operations		(25,747)	(52,423)
Discontinued operation			
Profit for the year from discontinued operation	13	–	21,710
Loss for the year		(25,747)	(30,713)
Other comprehensive income (loss):			
Exchange difference arising on translation of financial statements of foreign operations which may be reclassified subsequently to profit or loss		270	(133)
		270	(133)
Total comprehensive loss for the year		(25,477)	(30,846)

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

Note	2025 HK\$'000	2024 HK\$'000
(Loss) Profit for the year attributable to owners of the Company:		
– from continuing operations	(25,747)	(51,895)
– from discontinued operation	–	21,710
	(25,747)	(30,185)
Loss for the year attributable to non-controlling interests:		
– from continuing operations	–	(528)
Total comprehensive loss attributable to:		
– Owners of the Company	(25,477)	(30,310)
– Non-controlling interests	–	(536)
	(25,477)	(30,846)
(Loss) Earnings per share attributable to owners of the Company:		
Basic and diluted		
– from continuing operations (HK cents)	(1.29)	(2.60)
– from discontinued operation (HK cents)	–	1.09
14	(1.29)	(1.51)

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	15	62,685	67,983
Intangible asset	16	–	1,000
Right-of-use assets	17	1,488	4,464
Goodwill	18	–	–
		64,173	73,447
Current assets			
Trade and other receivables	19	12,866	15,651
Financial assets at FVPL	20	15,489	20,825
Bank balances and cash	21	55,691	62,772
		84,046	99,248
Current liabilities			
Trade and other payables	22	9,712	5,349
Lease liabilities	17	1,755	3,362
		11,467	8,711
Net current assets		72,579	90,537
Total assets less current liabilities		136,752	163,984
Non-current liabilities			
Lease liabilities	17	–	1,755
NET ASSETS		136,752	162,229

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	23	1,981,158	1,981,158
Reserves		(1,844,406)	(1,818,929)
TOTAL EQUITY		136,752	162,229

These consolidated financial statements on pages 91 to 160 were approved and authorised for issue by the Board of Directors on 16 March 2026 and signed on its behalf by

Pang Yuet
Director

Wang Jizhuo
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the Company					Non-controlling interests	Total equity
	Share capital	Capital reserve	Translation reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000 (note (a))	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	1,981,158	4,239	(898)	(1,792,620)	191,879	1,196	193,075
Loss for the year	-	-	-	(30,185)	(30,185)	(528)	(30,713)
Other comprehensive loss for the year							
Exchange difference arising from translation of foreign operations	-	-	(125)	-	(125)	(8)	(133)
Total comprehensive loss for the year	-	-	(125)	(30,185)	(30,310)	(536)	(30,846)
Transactions with owners of the Company							
<i>Change in ownership interests:</i>							
Acquisition of additional interests in a subsidiary	-	-	-	660	660	(660)	-
As at 31 December 2024 and 1 January 2025	1,981,158	4,239	(1,023)	(1,822,145)	162,229	-	162,229
Loss for the year	-	-	-	(25,747)	(25,747)	-	(25,747)
Other comprehensive income for the year							
Exchange difference arising from translation of foreign operations	-	-	270	-	270	-	270
Total comprehensive loss for the year	-	-	270	(25,747)	(25,477)	-	(25,477)
As at 31 December 2025	1,981,158	4,239	(753)	(1,847,892)	136,752	-	136,752

Note:

(a) Translation reserve

Translation reserve of the Group comprises all foreign exchange differences arising from translation of the financial statements of the Group's subsidiaries in the People's Republic of China in accordance with the accounting policy set out in note 4 to the consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
(Loss) Profit before tax			
from continuing operations		(25,747)	(52,423)
from discontinued operation		–	21,710
Bank interest income		(2,112)	(937)
Interest income from convertible bonds		(160)	–
Change in fair value of financial assets at FVPL		719	7,249
Depreciation of property, plant and equipment	15	5,804	8,068
Depreciation of right-of-use assets	17	2,976	4,712
Finance costs	8(a)	190	429
Gain on disposal of property, plant and equipment		–	(4,508)
Impairment loss on goodwill		–	1,026
Impairment loss on other receivables		–	1,337
Loss on disposal of financial assets at FVPL		7,824	5,441
Gain on disposal of subsidiaries	31	(1,040)	–
Written off of intangible asset	16	1,000	–
Written off of other receivables	19(b)	1,553	–
Effect of foreign exchange rate changes		272	(130)
Changes in working capital:			
Trade and other receivables		1,208	5,314
Trade and other payables		5,318	(2,458)
Cash used in operations		(2,195)	(5,170)
Interest received		2,272	937
Interest paid		–	(30)
Net cash from (used in) operating activities		77	(4,263)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15	(505)	(4,255)
Purchase of financial assets at FVPL		(7,780)	(8,084)
(Increase) Decrease in time deposits with original maturity of more than three months		(3)	599
Proceeds from disposal of property, plant and equipment		–	69,215
Proceeds from disposal of financial assets at FVPL		4,570	9,987
Net cash inflow arising from disposal of subsidiaries	31	109	–
Net cash (used in) from investing activities		(3,609)	67,462

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
FINANCING ACTIVITIES			
Advance from the ultimate holding company		–	3,800
Repayment to the ultimate holding company		–	(10,800)
Repayment of other borrowings		–	(1,932)
Repayment of lease liabilities		(3,552)	(5,413)
Net cash used in financing activities	30	(3,552)	(14,345)
Net (decrease) increase in cash and cash equivalents		(7,084)	48,854
Cash and cash equivalents as at 1 January		62,568	13,714
Cash and cash equivalents as at 31 December	21	55,484	62,568

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. CORPORATE INFORMATION

Asia Energy Logistics Group Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The Company’s registered office and its principal place of business is located at Suite 802-803, 8/F, One Pacific Place, 88 Queensway, Hong Kong. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The immediate and ultimate holding company of the Company is Oriental Solar Group Limited, a company incorporated in the British Virgin Islands (the “BVI”) and wholly-owned by Mr. Pang Yuet.

The Company is an investment holding company and the principal activities of its subsidiaries are detailed in note 33 to the consolidated financial statements. The Company and its subsidiaries are herein collectively referred to as the “Group”.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These consolidated financial statements are presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand unless otherwise indicated.

3. ADOPTION OF REVISED HKFRS ACCOUNTING STANDARDS

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following revised HKFRS Accounting Standards that is relevant to the Group and effective from the current year:

Amendments to HKAS 21 Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for financial assets at fair value through profit or loss ("FVPL"), which is measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRS Accounting Standards.

Allocation of total comprehensive income

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

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost; and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, an investment in subsidiary is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Goodwill

Goodwill arising on an acquisition of a business is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Any resulting gain or loss arising from remeasuring the previously held equity interests in the acquiree at the acquisition-date fair value is recognised in profit or loss or other comprehensive income, as appropriate.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at rates set out below. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Leasehold improvements	Over the unexpired term of the lease (35 months)
Furniture, fixtures and office equipment	20%
Vessels	Over the estimated useful life (18 years)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement

Financial assets (except for trade receivables without a significant financing component which are initially measured at their transaction price) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("FVOCI"); (iii) equity investment measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement (Continued)

Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses (“ECL”) on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive. For a lease income receivable, the cash flows used for determining the ECL should be consistent with the cash flows used in measuring the lease income receivable in accordance with HKFRS 16.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on one or more of the following shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral, if any
- (iv) industry of debtors
- (v) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument’s credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of debt investments at FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Measurement of ECL (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

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

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

Assessment of significant increase in credit risk

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

- (i) the debtor's failure to make payments of principal or interest on the due dates;
- (ii) an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- (iii) an actual or expected significant deterioration in the operating results of the debtor; and
- (iv) actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Simplified approach of ECL

For trade receivables and operating lease income receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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

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

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Impairment of financial assets and other items (Continued)

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Charter-hire income under operating leases is recognised when the vessels are let out and on the straight-line basis over the lease term. The variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date and subsequently adjusted when such index or rate changes. Such payments are recognised as income on the straight-line basis over the lease term. Other variable lease payments are recognised as income in the year in which the event or condition that triggers those payments occurs.

Revenue from contracts with customers within HKFRS 15

Nature of goods or service

The nature of the goods or service provided by the Group is e-commerce trading of electronic products, industrial intelligent robotic solutions products and provision of telecommunications service respectively.

Identification of performance obligations

At contract inception, the Group assesses the goods or service promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Identification of performance obligations (Continued)

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the goods or service either on its own or together with other resources that are readily available to the customer (i.e. the goods or service is capable of being distinct); and
- (b) the Group's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the goods or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised goods or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sale of electronic products and industrial intelligent robotic solutions products are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Service income is recognised over time when service is rendered.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition (Continued)

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost or debt investments at FVOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Foreign currency translation

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 Company's functional currency is HK\$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented and, where applicable, goodwill and fair value adjustments on the carrying amounts of assets and liabilities arising on an acquisition of a foreign operation which are to be treated as assets and liabilities of that foreign operation, are translated at the closing rate at the end of the reporting period;
- Income and expenses for each statement of comprehensive income are translated at average exchange rate;
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised; and
- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

Impairment of non-financial assets, other than goodwill

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment and right-of-use assets may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. In addition, the Group tests its intangible assets that have indefinite useful lives for impairment by estimating their recoverable amount on an annual basis and whenever there is an indication that those assets may be impaired. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Share capital

Ordinary shares are classified as equity.

Leases

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

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

As lessee (Continued)

The right-of-use asset is initially measured at cost, which comprises:

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

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premises	3 years
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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

As lessee (Continued)

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if

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

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Employee benefits

Short-term employee benefits

Salaries, annual bonuses, paid annual leave, and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution schemes

The obligations for contributions to defined contribution retirement scheme in Hong Kong (“MPF Scheme”). Contributions are made based on a percentage of the employees’ basic salaries and are recognised as an expense in profit or loss as incurred. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

In accordance with the rules and regulations in the People’s Republic of China (the “PRC”), the employees of the Group’s entities established in the PRC are required to participate in defined contribution retirement benefits schemes (“PRC Retirement Benefits Schemes”) organised by local governments. These subsidiaries are required to contribute certain percentage of their payroll costs to PRC Retirement Benefits Schemes and are expensed in profit or loss as incurred and other than these monthly contributions, the Group has no further obligation for the payment of retirement benefits to its employees.

No forfeited contributions for the MPF Scheme and the PRC Retirement Benefits Schemes can be used by the employer to reduce the existing level of contributions.

Long service payments

The Group’s net obligation in respect of long service payments under the Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Employee benefits (Continued)

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Share-based payment transactions

Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is determined using the Binomial Option Pricing Model, taking into account any market conditions and non-vesting conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year in which the vesting conditions are to be fulfilled, ending on the date on which the entitlement of relevant employees to the award is no longer conditional on the satisfaction of any non-market vesting conditions ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior periods is charged/credited to profit or loss for the year of review, with a corresponding adjustment to the reserve within equity.

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

Equity-settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where the fair value cannot be reliably estimated, in which case they are measured at the fair value of the equity instruments granted. In all cases, the fair value is measured at the date the Group obtains the goods or the counterparty renders the services.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

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

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the parent of the Group.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

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

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

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Segment reporting

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

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

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the directors in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty are as follows:

(i) *Useful lives and impairment of the vessel*

The management reviews the useful lives and depreciation method of the vessel at the end of each reporting period, through careful consideration with regards to expected usage, wear-and-tear and potential technical obsolescence to usage of the vessel.

Vessel is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable such as declines in assets' market value and significant increase in interest rates that may affect the discount rate used in calculating the vessel's recoverable amount. The recoverable amounts have been determined based on fair value less costs of disposal calculation or value in use calculation. These calculations require the use of judgements and estimates.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty are as follows: (Continued)

(i) *Useful lives and impairment of the vessel (Continued)*

Management judgement is required in the vessel impairment particularly in assessing:

- (a) whether an event has occurred that may indicate that the vessel's values may not be recoverable;
- (b) whether the carrying value of the vessel can be supported by the recoverable amount, being the higher of fair value less costs of disposal or net present value of future cash flows which are estimated based upon the continuing use of the asset in the business;
- (c) whether a decline in asset's market value, increase in interest rates or other market rates that may affect the discount rate used in calculating the asset's recoverable amount;
- (d) whether there is any assets are being obsolescence or any plan to discontinue or restructure; and
- (e) the appropriateness of key assumptions applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and financial performance.

(ii) *Loss allowance for ECL*

The Group's management estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables. Details of the key assumption and inputs used in estimating ECL are set out in note 28(b) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty are as follows: (Continued)

(iii) *Fair value estimation of financial assets at FVPL*

Some of the Group's assets are measured at fair value for financial reporting purposes. The management have determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair values of the Group's financial assets at FVPL, the Group uses market-observable data to the extent it is available. The management will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company. The information about the valuation techniques, inputs and key assumptions used in the determination of those assets are detailed in note 20 to the consolidated financial statements.

(iv) *Share-based payments*

Estimating the fair value for share-based payment transactions requires determination of an appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including volatility, the expected exercise behaviour and dividend yield, etc, and making assumptions about them. The assumptions and models used for estimating the fair value for share-based payment transactions are detailed in note 24 to the consolidated financial statements.

Critical judgement made in apply accounting policies:

(i) *Subsidiary governed under contractual arrangements*

When preparing the consolidated financial statements, the management applied HKFRS 10 to determine whether the Group has "control" over the entities considered to be subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, has the power to direct the relevant activities of the entity, and has the ability to affect those returns through its power over the entity. Key factors used in determining control and whether the entities are subsidiaries include whether the Group has power over the entities either through voting rights or contractual arrangements and whether it has the rights to obtain the majority of benefits or is exposed to the majority of ownership risks.

When the above factors are met, the management determines that the Group has control over the entities and include them as subsidiaries in the Company's consolidated financial statements. For the entities where the Group holds no equity interest but are subject to contractual arrangements, significant judgements are necessary as to whether the contracts give the Group the ability to exercise control over those entities, including consideration of the PRC legal and regulatory requirements, foreign exchange control, or other influences, such as, force majeure, etc.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (Continued)

Critical judgement made in apply accounting policies: (Continued)

(i) *Subsidiary governed under contractual arrangements (Continued)*

Pursuant to the applicable laws, including but not limited to the Special Administrative Measures (Negative List) for the Access of Foreign Investment, the business of value-added telecommunications services is considered “restricted” where foreign investors are restricted from holding more than 50% equity interests in companies providing such services, as such 北京北西商務諮詢有限公司 (Beijing Beixi Business Consultancy Co., Ltd.*, “Beixi Business”), the Company’s indirect wholly-owned subsidiary incorporated in the PRC, has entered into a series of contractual arrangements (the “Contractual Arrangements”) with 北京北商西電科技有限公司 (Beijing Beishang Xidian Technology Co., Ltd.*, “Beishang”), a company incorporated in the PRC, and its respective legal equity holders, which enable the Group to:

- have power to direct the relevant activities of Beishang;
- exercise the 100% voting rights of Beishang, via wholly-owned Beixi Business, during the general meetings of Beishang;
- receive and be exposed to substantially all of the economic interest returns generated by Beishang through service fees in consideration for the management and consulting services provided by Beixi Business at Beixi Business’s discretion;
- have an irrevocable option, via wholly-owned Beixi Business, to purchase 100% equity interest in Beishang with consideration at a nominal price of RMB1 when and to the extent permitted under the PRC laws; and
- obtain pledges over 100% equity interest of Beishang, via wholly-owned Beixi Business, from their respective legal equity holders.

The Group does not have any equity interest in Beishang. However, as a result of the Contractual Arrangements, the Group is considered to have control over Beishang given that the Group has rights to variable returns from its involvement in operation of Beishang and has the ability to affect these returns (e.g. in form of service fees charged). Consequently, the Group regards Beishang as an indirectly-owned subsidiary under HKFRS Accounting Standards.

Nevertheless, the Contractual Arrangements may not be as effective as legal ownership in providing the Group with control over the consolidated entities and business, and uncertainties presented by the PRC legal system could impede the Group’s beneficiary rights of the results, assets and liabilities of the consolidated entities and business. Having considered any changes in the relevant PRC laws and regulations since the execution of the Contractual Arrangements, the management believes that the Contractual Arrangements are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

* For identification purpose only

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

4. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Future changes in HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

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

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

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

³ The effective date to be determined

The Group is in the process of making a detailed assessment of the possible impact on the future adoption of the new/revised HKFRS Accounting Standards. So far the management is of the opinion that the adoption of the new/revised HKFRS Accounting Standards will not have any significant impact on the consolidated financial statements.

5. SEGMENT INFORMATION

The chief operating decision makers evaluate the performance of and allocate resources to operating segments based on the Group's internal reporting in respect of these segments. The Group's operating segments are structured and managed separately according to the nature of their businesses. The Group's reportable segments are as follows:

Continuing operations:

- (a) Telecommunications related business
- (b) Shipping and logistics
- (c) E-commerce trading business
- (d) Industrial intelligent robotic solutions

Discontinued operation:

- (a) Shipping and logistics (in relation to the operations mentioned in note 13)

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. SEGMENT INFORMATION (CONTINUED)

Segment results represent the results from each reportable segment without allocation of corporate income and expenses.

Year ended 31 December 2025	Continuing operations				Total HK\$'000
	Telecommunications related business HK\$'000	Shipping and logistics HK\$'000	E-commerce trading business HK\$'000	Industrial intelligent robotic solutions HK\$'000	
	Segment revenue from external customers	26,465	28,968	5,990	
Segment (loss) profit	(775)	3,647	12	10	2,894
Unallocated income					2,266
Change in fair value of financial assets at FVPL					(719)
Loss on disposal of financial assets at FVPL					(7,824)
Written off of intangible assets					(1,000)
Other unallocated corporate expenses					(21,364)
Loss for the year					(25,747)
Other segment information:					
Depreciation of property, plant and equipment (note (a))	(34)	(4,672)	-	-	(4,706)
Written off of other receivables	-	(1,553)	-	-	(1,553)
Gain on disposal of subsidiaries	1,040	-	-	-	1,040
Additions of property, plant and equipment	-	(463)	-	-	(463)

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024	Continuing operations			Discontinued operation	Total
	Telecommunications related business	Shipping and logistics	E-commerce trading business	Shipping and logistics	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue from external customers	5,801	36,101	6,240	31,030	79,172
Segment (loss) profit	(4,118)	(13,467)	13	21,710	4,138
Unallocated income					972
Change in fair value of financial assets at FVPL					(7,249)
Loss on disposal of financial assets at FVPL					(5,441)
Impairment loss on other receivables					(1,337)
Other unallocated corporate expenses					(21,796)
Loss for the year					(30,713)
Other segment information:					
Depreciation of property, plant and equipment (note (a))	(59)	(4,192)	-	(2,727)	(6,978)
Depreciation of right-of-use assets (note (b))	(455)	(1,281)	-	-	(1,736)
Finance costs (note (c))	(6)	(16)	-	-	(22)
Gain on disposal of the Vessel	-	-	-	4,508	4,508
Impairment loss on goodwill	(1,026)	-	-	-	(1,026)
Additions of property, plant and equipment	-	(4,255)	-	-	(4,255)

Note:

- Depreciation of property, plant and equipment excluded from the measure of segment results during the years ended 31 December 2025 and 2024 amounted to approximately HK\$1,098,000 and HK\$1,090,000 respectively.
- Depreciation of right-of-use assets excluded from the measure of segment results during the years ended 31 December 2025 and 2024 amounted to approximately HK\$2,976,000 and HK\$2,976,000 respectively.
- Finance costs excluded from the measure of segment results during the years ended 31 December 2025 and 2024 amounted to approximately HK\$190,000 and HK\$407,000 respectively.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. SEGMENT INFORMATION (CONTINUED)

	2025 HK\$'000	2024 HK\$'000
Assets		
Shipping and logistics	66,784	70,711
Industrial intelligent robotic solutions	72	–
Telecommunications related business	10,496	6,042
Segment assets	77,352	76,753
Unallocated corporate assets	70,867	95,942
Consolidated total assets	148,219	172,695
Liabilities		
Shipping and logistics	2,316	1,988
Industrial intelligent robotic solutions	61	–
Telecommunications related business	5,850	1,612
Segment liabilities	8,227	3,600
Unallocated corporate liabilities	3,240	6,866
Consolidated total liabilities	11,467	10,466

Geographical information

As at 31 December 2025, apart from the vessel and goodwill, approximately HK\$2,176,000 (2024: HK\$7,207,000) and HK\$16,000 (2024: HK\$50,000) of the Group's non-current assets are located in Hong Kong and the PRC respectively.

Geographical segment information of the Group's revenue arising from provision of shipping and logistics service is not presented as the directors consider that the relevant services are carried out internationally, preclude a meaningful allocation of operating results to specific geographical segments.

Revenue information for the telecommunications related business, e-commerce trading business and industrial intelligent robotic solutions based on locations of customers is as follows:

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
The PRC	32,629	12,041

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue from customers individually accounting for 10% or more of the revenue of the Group is as follows:

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Customer A (Shipping and logistics segment)	28,968	13,868
Customer B (Shipping and logistics segment)	N/A	22,233
Customer C (E-commerce trading business)	N/A	6,240
Discontinued operation		
Customer B (Shipping and logistics segment)	N/A	31,030

6. REVENUE

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Operating lease income		
Charter-hire income	28,968	36,101
Revenue from contract with customers within HKFRS 15		
Telecommunications service income recognised over time	26,465	5,801
E-commerce trading income recognised at a point in time	5,990	6,240
Industrial intelligent robotic solutions income recognised at a point in time	174	–
	32,629	12,041
	61,597	48,142

The revenue from contracts with customers within HKFRS 15 is based on fixed price.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Bank interest income	2,112	823
Claims from insurance company	27	210
Exchange gain, net	–	57
Interest income from convertible bonds	160	–
Recharge of expenses to charter parties	940	218
Sundry income	561	464
	3,800	1,772

8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

This is stated after charging (crediting):

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
(a) Finance costs:		
Interest on lease liabilities	190	399
Interest on other borrowings	–	30
	190	429

	2025 HK\$'000	2024 HK\$'000
(b) Staff costs (including directors' remuneration):		
Employee benefits expense *	11,056	20,521
Contributions to defined contribution plans *	346	619
	11,402	21,140

* Employee benefits expenses and contributions to defined contribution plans disclosed above do not include an amount of HK\$565,000 (2024: HK\$647,000) incurred relating to research and development activities.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS (CONTINUED)

	2025 HK\$'000	2024 HK\$'000
(c) Other items:		
Auditor's remuneration		
Annual audit	980	1,200
Non-annual audit	138	560
Cost of revenue **	56,661	41,212
Depreciation of property, plant and equipment	5,804	5,341
Depreciation of right-of-use assets (note 17)	2,976	4,712
Exchange loss (gain), net	2	(57)
Loss on disposal of financial assets at FVPL	7,824	5,441

** Cost of revenue from continuing operations includes depreciation of property, plant and equipment of approximately HK\$4,672,000 (2024: HK\$4,192,000) which amount is also included in the respective total amount disclosed separately in "depreciation of property, plant and equipment".

Included in the cost of revenue was the cost of inventories of HK\$6,142,000 (2024: HK\$6,227,000) for the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

9. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to the directors of the Company by the Group during the year were as follows:

Name of director	Directors' fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Bonus HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
Year ended 31 December 2025					
<i>Executive directors</i>					
Pang Yuet	-	3,094	-	18	3,112
Sun Peng	-	416	-	-	416
Wang Jizhuo	-	1,040	-	14	1,054
<i>Non-executive director</i>					
Liu Siyuan	240	-	-	11	251
<i>Independent non-executive directors</i>					
Ng Kwun Wan	180	-	-	-	180
Wong Cheuk Bun	180	-	-	-	180
Hon Ming Sang	180	-	-	-	180
	780	4,550	-	43	5,373

Name of director	Directors' fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Bonus HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
Year ended 31 December 2024					
<i>Executive directors</i>					
Pang Yuet	-	3,094	-	18	3,112
Sun Peng	-	416	-	-	416
Wang Jizhuo	-	-	-	-	-
(appointed on 13 September 2024)	-	312	-	-	312
Hui Wai (resigned on 1 July 2024)	-	657	300	9	966
<i>Non-executive director</i>					
Liu Siyuan (appointed on 18 July 2024)	109	-	-	-	109
<i>Independent non-executive directors</i>					
Ng Kwun Wan	180	-	-	-	180
Wong Cheuk Bun	180	-	-	-	180
Hon Ming Sang	180	-	-	-	180
	649	4,479	300	27	5,455

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

9. DIRECTORS' EMOLUMENTS (CONTINUED)

No emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during the years ended 31 December 2025 and 2024.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the year, the five highest paid individuals of the Group included two (2024: one) directors whose emolument is disclosed in note 9 to the consolidated financial statements. The emoluments of the remaining three (2024: four) highest paid individuals, who are employees of the Group, are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	3,055	5,256
Bonus	–	1,180
Contributions to defined contribution plans	54	39
	3,109	6,475

The emoluments of the highest paid individuals, other than the directors, are within the following bands:

	Number of individuals	
	2025	2024
HK\$500,001 – HK\$1,000,000	2	–
HK\$1,000,001 – HK\$1,500,000	–	3
HK\$1,500,001 – HK\$2,000,000	1	–
HK\$2,000,001 – HK\$2,500,000	–	1
	3	4

No emoluments were paid or payable by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of these individuals waived any emoluments during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

11. TAXATION

Hong Kong Profits Tax, if any, is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the year. The PRC enterprise income tax is provided at the rate of 25% (2024: 25%) on the estimated assessable profits of subsidiaries operating in the PRC.

No provision for income tax has been made as the Group entities either had no estimated assessable profits or incurred tax losses for the years ended 31 December 2025 and 2024.

Reconciliation of tax expense

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Loss before tax	(25,747)	(52,423)
Tax calculated at domestic tax rates in respective tax jurisdictions	(4,239)	(9,086)
Non-deductible expenses	9,566	13,897
Tax exempt revenue	(5,735)	(6,276)
Unrecognised tax loss	408	1,465
Tax expense for the year	–	–

12. DIVIDENDS

The directors do not recommend the payment of any dividend for the years ended 31 December 2025 and 2024.

13. DISCONTINUED OPERATION

Disposal of a vessel

On 23 May 2024, Lotus Gold Shipping Limited, an indirect wholly-owned subsidiary of the Company, entered into a memorandum of agreement with an independent third party buyer pursuant to which the Group has conditionally agreed to dispose of and the buyer conditionally agreed to acquire a vessel, M/V Clipper Panorama (the "Vessel"), with the cash consideration of United States dollar ("US\$") 9,500,000 (equivalent to approximately HK\$74,100,000) and the expenses directly incurred was approximately HK\$4,695,000. The Vessel was delivered to the buyer on 20 August 2024.

The management considered that the disposal of the Vessel, which were previously grouped under shipping and logistics segment, constituted discontinued operation during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

13. DISCONTINUED OPERATION (CONTINUED)

The results and net cash flows of the discontinued operation were summarised as follows:

	From 1 January 2024 to 20 August 2024 HK\$'000
Revenue	31,030
Cost of services	(14,208)
Other income	511
Operating costs	(131)
Profit before tax	17,202
Taxation	–
Profit after tax from discontinued operation	17,202
Gain on disposal of the Vessel	4,508
Profit attributable to discontinued operation	21,710
	From 1 January 2024 to 20 August 2024 HK\$'000
Net cash (outflows) inflows	
Operating activities	11,327
Investing activities	69,341
Financing activities	(82,545)
Total cash outflows	(1,877)

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

14. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share of the Company is based on the following data:

	2025	2024
	HK\$'000	HK\$'000
(Loss) Profit attributable to owners of the Company		
– Continuing operations	(25,747)	(51,895)
– Discontinued operation	–	21,710
Weighted average number of ordinary shares for basic and diluted loss per share	1,994,975,244	1,994,975,244
(Loss) Earnings per share		
Basic and diluted		
– Continuing operations (HK cents)	(1.29)	(2.60)
– Discontinued operation (HK cents)	–	1.09
	(1.29)	(1.51)

As at 31 December 2025, none of the specific conditions of the share options was met or deemed to be met, and thus the potentially dilutive ordinary shares are not included in the calculation of diluted loss per share. As a result, diluted loss per share is the same as basic loss per share for the year ended 31 December 2025.

Diluted loss per share was the same as the basic loss per share for the year ended 31 December 2024 as there was no potential outstanding dilutive ordinary shares.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvement HK\$'000	Furniture, fixtures and office equipment HK\$'000	Vessels HK\$'000	Total HK\$'000
Reconciliation of carrying amount – year ended 31 December 2024				
As at 1 January 2024	2,595	350	133,561	136,506
Additions	–	–	4,255	4,255
Depreciation	(1,038)	(111)	(6,919)	(8,068)
Disposal (note 13)	–	(1)	(64,707)	(64,708)
Exchange difference	–	(2)	–	(2)
As at 31 December 2024	1,557	236	66,190	67,983
Reconciliation of carrying amount – year ended 31 December 2025				
As at 1 January 2025	1,557	236	66,190	67,983
Additions	–	505	–	505
Depreciation	(1,038)	(94)	(4,672)	(5,804)
Exchange difference	–	1	–	1
As at 31 December 2025	519	648	61,518	62,685
As at 31 December 2024				
Cost	3,028	433	100,641	104,102
Accumulated depreciation	(1,471)	(197)	(34,451)	(36,119)
	1,557	236	66,190	67,983
As at 31 December 2025				
Cost	3,028	937	100,641	104,606
Accumulated depreciation	(2,509)	(289)	(39,123)	(41,921)
	519	648	61,518	62,685

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

16. INTANGIBLE ASSET

	Club membership HK\$'000
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Reconciliation of carrying amount – year ended 31 December 2024	
As at 1 January 2024 and 31 December 2024	1,000
<hr/>	
Reconciliation of carrying amount – year ended 31 December 2025	
As at 1 January 2025	1,000
Written off	(1,000)
<hr/>	
As at 31 December 2025	–
<hr/>	
As at 31 December 2024	
Cost	1,000
Accumulated impairment loss	–
<hr/>	
	1,000
<hr/>	
As at 31 December 2025	
Cost	–
Accumulated impairment loss	–
<hr/>	
	–
<hr/>	

During the year ended 31 December 2025, the management conducted an assessment of the Group's intangible asset and determined that the club membership, with a carrying amount of HK\$1,000,000, was no longer in use by the Group. Consequently, this intangible asset has been fully written off in profit or loss.

Notes to the Consolidated Financial Statements

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17. LEASES

The Group as lessor

Operating lease

Continuing operations

The Group leases its vessel to third parties under operating leases, which had an initial non-cancellable lease term of 12 months (2024: 18 months). The lease has no purchase or termination options. The lease does not provide the lessee with options to extend the lease term (2024: Nil).

Below is a maturity analysis of future undiscounted lease payments to be received from lease of the vessel.

	2025	2024
	HK\$'000	HK\$'000
Year 1	25,492	29,817
Year 2	4,264	1,144
	29,756	30,961

The operating lease income of the Group during the years ended 31 December 2025 and 2024 is set out in note 6 to the consolidated financial statements.

The Group is insured against loss that may arise from accidents or physical damages of the vessel up to the amount of US\$9,000,000 (equivalent to HK\$70,020,000) (2024: US\$10,000,000 (equivalent to HK\$77,800,000)).

Notes to the Consolidated Financial Statements

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17. LEASES (CONTINUED)

The Group as lessee

Right-of-use assets

	Office premises HK\$'000
Reconciliation of carrying amount – year ended 31 December 2025	
As at 1 January 2025	4,464
Depreciation	(2,976)
As at 31 December 2025	1,488
Reconciliation of carrying amount – year ended 31 December 2024	
As at 1 January 2024	9,180
Depreciation	(4,712)
Exchange differences	(4)
As at 31 December 2024	4,464

The Group leases office premises for its daily operations. The lease term is three (2024: three) years. Lease terms are negotiated on an individual basis and contain similar terms and conditions.

As at 31 December 2025, the Group's right-of-use assets were located in Hong Kong (2024: Hong Kong).

Restrictions or covenants

Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use assets can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets.

For leases of properties, the Group is required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

17. LEASES (CONTINUED)

Restrictions or covenants (Continued)

Lease liabilities

	2025 HK\$'000	2024 HK\$'000
Non-current	–	1,755
Current	1,755	3,362
	1,755	5,117

Note: The incremental borrowing rate applied to the lease liabilities during the year ended 31 December 2025 was 5.75% (2024: 5.75%) per annum.

The Group has recognised the following amounts for the year:

	2025 HK\$'000	2024 HK\$'000
Lease payments:		
Interest on lease liabilities	190	399
Repayment of lease liabilities	3,362	5,014
Total cash outflow for leases	3,552	5,413

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

18. GOODWILL

	2025 HK\$'000	2024 HK\$'000
Reconciliation of carrying amount		
At beginning of the year and at the end of the reporting period	-	-
At 31 December		
Cost	1,026	1,026
Accumulated impairment losses	(1,026)	(1,026)
	-	-

Goodwill arose because the consideration paid for the acquisition effectively included amount in relation to the benefits originated from future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

Goodwill acquired through business combination has been allocated to telecommunications related business and were fully impaired as at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES

	Note	2025 HK\$'000	2024 HK\$'000
Trade receivables			
Lease income receivables	19(a)	96	–
Service income receivables		6,195	407
		6,291	407
Other receivables			
Other debtors	19(b)	1,323	4,383
Deposits		1,000	1,005
Deposit for vessel operation	19(c)	3,145	354
Other receivable from a regulated securities broker	19(d)	5	9,903
Prepayments		1,102	936
		6,575	16,581
Less:			
Loss allowance on other receivables	19(b), 28(b)	–	(1,337)
		6,575	15,244
		12,866	15,651

Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is included in note 28(b) to the consolidated financial statements.

19(a) Trade receivables

As at 31 December 2025, all trade receivables aged within 30 to 90 (2024: 30 to 90) days, based on the invoice date.

19(b) Other debtors

As at 31 December 2024, a balance of HK\$1,337,000 carried interest at interest rate of 10% per annum, was unsecured and past due over 60 days. The management considered such balance was credit-impaired and an allowance of HK\$1,337,000 has been made during 2024.

Due to the deregistration of this debtor, the amount due from this debtor of HK\$1,337,000 and the allowance for ECL of HK\$1,337,000 recognised in previous years was written off during the year accordingly.

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Year ended 31 December 2025

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

19(b) Other debtors (Continued)

The Group further considered that the amounts due from another two debtors with aggregate carrying amount of HK\$1,553,000 ran into dispute. Based on the management's assessment, the recoverability of these amounts is remote, and such amounts were written off in profit or loss during the year accordingly.

The remaining balances are interest-free, unsecured and repayable on demand.

19(c) Deposit for vessel operation

The balances represent the monies deposited in designated bank accounts of a vessel management company for daily operating use. The Group is the beneficiaries of these designated bank accounts. The balances are unsecured, repayable on demand and bearing interest at floating daily bank deposit rates.

19(d) Other receivable from a regulated securities broker

As at 31 December 2024, the balance represented the cash balance maintained in a regulated securities broker of HK\$9,903,000. All cash balance was deposited into the bank account held by the Group during the year.

20. FINANCIAL ASSETS AT FVPL

	Note	2025 HK\$'000	2024 HK\$'000
Mandatorily measured at FVPL			
Securities listed in Hong Kong	20(a)	–	12,397
VC Convertible Bonds	20(b)	7,560	8,428
Unlisted equity fund	20(c)	7,929	–
		15,489	20,825

20(a) Securities listed in Hong Kong

The fair value of the securities listed in Hong Kong as at 31 December 2024 was based on the quoted market price which was a level 1 input in accordance with HKFRS 13.

Notes to the Consolidated Financial Statements

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20. FINANCIAL ASSETS AT FVPL (CONTINUED)

20(b) VC Convertible Bonds

On 26 September 2024, the Group invested into a convertible bond issued by Value Convergence Holdings Limited (“VC”), a company on the Stock Exchange in Hong Kong with stock code of 821, (“VC Convertible Bonds”) for the principal amount of HK\$8,000,000, interest-bearing at 2% per annum and the maturity date is 26 September 2026. The Group has the right to convert the VC Convertible Bonds into conversion shares at the initial conversion price of HK\$0.1 per conversion share (subject to adjustments) during the period from 26 September 2024 to 26 September 2026. The conversion price has been adjusted to HK\$1 per conversion share upon the completion of the share consolidation by VC on 28 July 2025.

The Group has classified the VC Convertible Bonds as financial assets at FVPL. This classification is consistent with the Group’s investment strategy of actively managing assets to achieve optimal returns based on fair value. The fair value of the VC Convertible Bonds was estimated by an independent professional valuer using Binomial Option Pricing Model at the date of issue and at the end of each reporting period, which is categorised as Level 3 fair value measurement.

The movements of the VC Convertible Bonds are as follows:

	HK\$'000
At 26 September 2024 (Acquisition date)	8,000
Change in fair value of financial assets at FVPL	428
At 31 December 2024 and 1 January 2025	8,428
Change in fair value of financial assets at FVPL	(868)
At 31 December 2025	7,560

The significant unobservable inputs used in the valuation of VC Convertible Bonds at the respective dates are as follows:

	At 31 December 2025	At 31 December 2024
Stock price of VC (HK\$)	0.35	0.036
Risk free rate (note a)	2.181%	3.424%
Discount rate (note b)	11.743%	5.636%
Expected volatility (note c)	95.427%	80.499%

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Year ended 31 December 2025

20. FINANCIAL ASSETS AT FVPL (CONTINUED)

20(b) VC Convertible Bonds (Continued)

Note:

(a) Risk free rate

The rate was determined with reference to the yields of Hong Kong exchange fund bills and notes with matching maturity term as at the date of valuation.

(b) Discount rate

The rate was the rate adopted to calculate the present values of the cash flows on the VC Convertible Bonds and was estimated having taken into account the specific terms and structure of the VC Convertible Bonds including their liquidity. Increase (Decrease) in the discount rate would result in (decrease) increase in the fair value.

(c) Expected volatility

The expected volatility of the share price of VC reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

In respect of the sensitivity relationship of the fair value measurement to changes in inputs, an increase (decrease) in the expected volatility would result in increase (decrease) in fair value measurement that the higher the volatility of the share price of VC the higher the fair value.

The sensitivity analysis has been determined assuming that the below unobservable inputs 10% higher/lower while all other variables were held constant, the fair value of the VC Convertible Bonds as at the reporting period is changed as follows:

	2025		2024	
	10% higher HK\$'000	10% lower HK\$'000	10% higher HK\$'000	10% lower HK\$'000
Stock price of VC	74	(53)	202	(150)
Risk free rate	(10)	10	(37)	37
Discount rate	(57)	57	(63)	64
Expected volatility	77	(59)	239	(185)

There were no changes in valuation techniques for the years ended 31 December 2025 and 2024.

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2 fair value measurements, or transfer into or out of Level 3 fair value measurements (2024: HK\$Nil). The movements in the Level 3 during year ended 31 December 2025 was a fair value decrease of HK\$868,000 (2024: acquisition of VC Convertible Bonds with consideration of HK\$8,000,000 and a fair value increase of HK\$428,000).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

20. FINANCIAL ASSETS AT FVPL (CONTINUED)

20(c) Unlisted equity fund

On 30 August 2025, the Group invested into an unlisted equity fund for a principal amount of US\$1,000,000 (equivalent to approximately HK\$7,780,000). As at 31 December 2025, the fair value of this fund amounted to HK\$7,929,000 and a fair value increase of HK\$149,000 was recognised in profit or loss.

The underlying investments of the unlisted equity fund mainly comprise securities listed in Hong Kong and overseas.

The fair value of the investment in unlisted equity fund is estimated with reference to the net assets value of the investment which is a level 2 input in accordance with HKFRS 13.

21. BANK BALANCES AND CASH

	2025 HK\$'000	2024 HK\$'000
Bank balances and cash		
Cash in hand	107	445
Cash at banks	4,807	9,219
Time deposits with original maturity of less than three months	50,570	52,904
As stated in the consolidated statement of cash flows	55,484	62,568
Time deposits with original maturity of more than three months	207	204
	55,691	62,772

All cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods from one month to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

Bank deposits with original maturity of more than three months earns interest at fixed rate. The bank balances are deposited and time deposits are placed with creditworthy banks with no recent history of default. The carrying amounts of time deposits are expected to be recovered within one year.

As at 31 December 2025, bank balances and cash of the Group included an amount of approximately HK\$3,128,000 (2024: HK\$4,065,000) which were denominated in RMB and deposited in banks in the PRC. RMB is not freely convertible currency in the international market. The conversion of RMB into foreign currency and remittance of RMB out of the PRC are subject to the rules and regulations of exchange controls promulgated by the PRC authorities.

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22. TRADE AND OTHER PAYABLES

	Note	2025 HK\$'000	2024 HK\$'000
Trade payables	22(a)	6,036	701
Other payables			
Accruals and other payables		2,845	3,770
Receipts in advance		831	878
		3,676	4,648
		9,712	5,349

22(a) Trade payables

The credit period of trade payables is normally within 90 (2024: 90) days. As at 31 December 2025 and 2024, all trade payables were aged within 30 days, based on the invoice date.

23. SHARE CAPITAL

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Issued and fully paid:				
At beginning and at end of the year	1,994,975,244	1,981,158	1,994,975,244	1,981,158

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Year ended 31 December 2025

24. SHARE OPTIONS

2018 Share Option Scheme

The 2018 Share Option Scheme was adopted by the Company on 20 August 2018 on terms in compliance with chapter 17 of the Listing Rules for a term of ten years commencing from the date of adoption. The Company may grant share options to selected eligible participants as incentives or rewards for their contribution to the Group (or any member of the Group) and/or to enable the Group (or any member of the Group) to recruit and retain high calibre employees and attract human resources that are valuable to the Group (or any member of the Group) and/or to any invested entity.

Under the 2018 Share Option Scheme, the Board has the authority to set the terms and conditions in respect of the grant of share options (e.g. the minimum period of the share options to be held, the performance targets to be achieved before the share options can be exercised and the subscription price). This provides the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help to achieve the purpose of the 2018 Share Option Scheme. The aggregate number of shares in respect of which share options (including both exercised and outstanding share options) may be granted under the 2018 Share Option Scheme and any other share option scheme(s) of the Company shall not, in aggregate exceed 10% of the total number of shares in issue on its adoption date, unless the Company obtains approval from the shareholders in general meeting to refresh the scheme mandate limit.

Further, the maximum number of shares which may be issued upon exercise of all outstanding share options granted under the 2018 Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the share options granted and to be granted to each eligible participant in any 12-month period shall not exceed 1% of the total number of shares in issue of the Company.

The eligible participants as defined under the 2018 Share Option Scheme are as follows:

- (i) any employee (whether full time or part time, including any executive directors but excluding any non-executive directors) of the Company, or of any of its subsidiaries or invested entity in which the Group holds any equity interest;
- (ii) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any invested entity;
- (iii) any shareholders of any members of the Group or any invested entity or any holder of any securities issued or proposed to be issued by any member of the Group or any invested entity;
- (iv) any other entity (including any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group; or
- (v) any other persons (including any individual staff member of any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

24. SHARE OPTIONS (CONTINUED)

2018 Share Option Scheme (Continued)

The 2018 Share Option Scheme is valid and effective for a period of 10 years commencing on the date of adoption.

On 11 November 2025, 19,500,000 share options were granted to Mr. Sun Peng, an executive director, and 149,500,000 share options were granted to eleven employees of the Group (the "Grantees") at an exercise price of HK\$0.308 per share under the 2018 Share Option Scheme, all of which have been accepted. The share options are exercisable during a period of 10 years commencing after satisfaction of the performance target determined by the Board.

The number of options granted during the year divided by the weighted average number of issued shares (excluding treasury shares) for the year was 8.47% (2024: Nil).

The share options will only be vested and may only be exercised by the Grantees after satisfaction of the performance target determined by the Board. The performance target is a revenue target to be achieved by the Group as a whole, which was determined with the reference to the past overall performance of the Group. The share options shall lapse with immediate effect when the Group fail to achieve the performance target.

The following table discloses movements of the Company's share options held by directors and employees of the Group during the year ended 31 December 2025:

Name of category of participant	Date of grant	Exercise price HK\$	Outstanding at 1 January 2025	Granted during the year	Exercised during the year	Forfeited/ Expired during the year	Outstanding at 31 December 2025	The closing price of the Company's Shares quoted on the Stock Exchange Immediately before the date of grant HK\$
Director in aggregate	11 November 2025	0.308	-	19,500,000	-	-	19,500,000	0.300
Employees in aggregate	11 November 2025	0.308	-	149,500,000	-	-	149,500,000	0.300
			-	169,000,000	-	-	169,000,000	
Weighted average exercise price (HK\$)			-	0.308	-	-	0.308	

As at 31 December 2025, the number of shares available for future grant under the 2018 Share Option Scheme is 497,524 (2024: 169,497,524) shares.

No options were exercised and vested during the year ended 31 December 2025 as the management determined that the performance target has not been achieved.

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Year ended 31 December 2025

24. SHARE OPTIONS (CONTINUED)

2018 Share Option Scheme (Continued)

The fair value of the share options granted on 11 November 2025 was approximately HK\$33,916,000. The fair value of the share options granted is measured at the date of grant, using the binomial option pricing model, taking into account the terms and conditions of the share-based arrangement except for non-market vesting conditions. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The inputs into the model are as follows:

	11 November 2025
Grant date	
Weighted average share price on grant date	HK\$0.300
Exercise price	HK\$0.308
Risk-free rate	2.47%
Expected option period	10
Expected volatility	125.15%
Dividend yield	0.00%

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate.

Based on the best estimates made by management regarding future market conditions and the Group's strategic development, the achievability of the performance targets attached to the share options was remote. Therefore, no fair value of equity-settled share-based payments related to the share option scheme (2024: HK\$Nil) was recognised in profit or loss during the year.

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25. DEFERRED TAX

No deferred tax asset has been recognised in the consolidated financial statements in respect of estimated tax losses available to offset future taxable profits due to the uncertainty of future profit streams against which the deferred tax asset can be utilised.

The expiry dates of unrecognised tax losses are as follows:

	2025 HK\$'000	2024 HK\$'000
Tax losses without expiry date	3,660	3,660
Tax losses expiring on 31 December 2025	–	295
Tax losses expiring on 31 December 2026	10,657	10,394
Tax losses expiring on 31 December 2027	15,485	15,103
Tax losses expiring on 31 December 2028	4,677	4,562
Tax losses expiring on 31 December 2029	4,272	6,715
Tax losses expiring on 31 December 2030	1,631	–
	40,382	40,729

26. RELATED PARTY TRANSACTIONS AND BALANCES AND CONNECTED TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following related party transactions in the ordinary course of the Group's business.

- a) Members of key management during the year comprised the directors only whose remuneration is set out in note 9 to the consolidated financial statements.

Note: During the year ended 31 December 2024, consultancy fee of HK\$1,700,000 paid to Chatwin Financial PR Company Limited which was beneficially owned by Mr. Wu Jian, a former director of certain subsidiaries of the Company before August 2024.

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27. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The Group's financial assets and financial liabilities as at 31 December 2025 and 2024 are categorised as follows:

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Amortised cost		
Trade receivables	6,291	407
Financial assets included in other receivables	5,473	14,308
Bank balances and cash	55,691	62,772
	67,455	77,487
FVPL		
Securities listed in Hong Kong	–	12,397
VC Convertible Bonds	7,560	8,428
Unlisted equity fund	7,929	–
	15,489	20,825
	82,944	98,312
Financial liabilities		
Amortised cost		
Trade payables	6,036	701
Financial liabilities included in other payables	2,845	3,753
	8,881	4,454

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Groups' financial instruments are foreign currency risk, credit risk, liquidity risk and equity price risk. The management general adopts conservative strategies on its risk management and limits the Group's exposure to these risks to minimum level as follows:

a) Foreign currency risk

The Group's transactions are mainly denominated in Renminbi RMB and US\$.

Since the exchange rate of HK\$ is pegged with US\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates.

Substantially all of the Group's sales and operating costs are denominated in the functional currency of the group entity making the sales or incurring the costs. Accordingly, the management considers that the currency risk is not significant. The Group currently does not have a formal currency hedging policy in relation to currency risk. However, the management monitors the currency risk exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

b) Credit risk

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Trade receivables

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

At 31 December 2025, the Group had a concentration of credit risk as 42% (2024: 64%) and 92% (2024: 100%) of the total trade receivables was due from the Group's largest customer and the five (2024: four) largest customers respectively.

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Credit risk (Continued)

Trade receivables (Continued)

The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience over the past three years and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables.

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix is summarised below.

As at 31 December 2025

	Expected loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Credit- impaired
Not past due	0.0%	6,179	–	No
More than 1 year but less than 2 years past due	0.0%	112	–	No
		6,291	–	

As at 31 December 2024

	Expected loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Credit- impaired
Not past due	0.0%	407	–	No

The Group does not hold any collateral over trade receivables as at 31 December 2025 (2024: HK\$Nil).

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Credit risk (Continued)

Other receivables

The Group considers that the deposits and other debtors have low credit risk based on the counterparties' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default.

In estimating the ECL and whether the deposits and debtors are credit-impaired, the Group has taken into account the historical actual credit loss experience over the past 3 years and adjusted for forward-looking factors, in estimating the probability of default, as well as the loss upon default.

The management of the Group considers the ECL of the deposits and debtors to be insignificant so no loss allowance was recognised in this respect.

There was no change in the estimation techniques or significant assumptions made during the year.

c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The undiscounted contractual maturity profile of the Group's non-derivative financial liabilities as at 31 December 2025 and 2024, based on contractual undiscounted payments is summarised below:

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000
2025			
Trade and other payables	8,881	8,881	8,881
Lease liabilities	1,755	1,776	1,776
	10,636	10,657	10,657

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

c) Liquidity risk (Continued)

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000
2024				
Trade and other payables	4,454	4,454	4,454	–
Lease liabilities	5,117	5,328	3,552	1,776
	9,571	9,782	8,006	1,776

d) Equity price risk

The Group is exposed to equity price risk arising from unlisted equity fund (2024: securities listed in Hong Kong) under financial assets at FVPL amounted to HK\$7,929,000 (2024: HK\$12,397,000). At the end of the reporting period, if the market price or fair value of the investments had been 10% higher/lower (2024: 10% higher/lower) while all other variables were held constant, the Group's loss would decrease/increase by HK\$793,000 (2024: HK\$1,240,000) due to change in fair value of unlisted equity fund (2024: securities listed in Hong Kong).

For the equity price risk of investment in VC Convertible Bonds is detailed in note 20(b) to the consolidated financial statements for details.

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29. CAPITAL RISK MANAGEMENT

The objectives of the Group's capital management are to safeguard the entity's ability to continue as a going concern and to provide returns for shareholders. The Group manages its capital structure and makes adjustments, including return of capital to shareholders or issue of new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

The Group monitors capital on the basis of debt-to-capital ratio, which is net debt divided by the Group's capital. The Group's policy is to keep not more than 100%. The debt-to-capital ratios at the end of the reporting period were as follows:

	2025 HK\$'000	2024 HK\$'000
Current liabilities	11,467	8,711
Non-current liabilities	-	1,755
Total liabilities	11,467	10,466
Total equity	136,752	162,229
Debt-to-capital ratio	8%	6%

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30. OTHER CASH FLOW INFORMATION

a. Reconciliation of liabilities arising from financing activities:

	Other borrowings	Lease liabilities	Amount due to the ultimate holding company
	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	1,932	10,135	7,000
Changes from cash flow:			
Advance from the ultimate holding company	–	–	3,800
Payment of interest expenses	(30)	–	–
Repayment of other borrowings	(1,902)	–	(10,800)
Repayment of lease liabilities	–	(5,413)	–
Total changes from financing cash flows	(1,932)	(5,413)	(7,000)
Non-cash transactions			
Imputed interest expenses	–	399	–
Exchange difference	–	(4)	–
Total non-cash transactions	–	395	–
As at 31 December 2024 and 1 January 2025	–	5,117	–
Changes from cash flow:			
Repayment of lease liabilities	–	(3,552)	–
Total changes from financing cash flows	–	(3,552)	–
Non-cash transactions			
Imputed interest expenses	–	190	–
Total non-cash transactions	–	190	–
As at 31 December 2025	–	1,755	–

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31. DISPOSAL OF SUBSIDIARIES

In November 2025, the Group disposed of its entire equity interests in Xiaohu Interactive Entertainment Culture Media (Wuhan) Co., Ltd.* (小虎互娛文化傳媒有限公司), Shenyang Lingxi Interactive Entertainment Technology Co., Ltd.* (沈陽靈犀互娛科技有限公司), Shenyang Theatre Culture Media Co., Ltd.* (沈陽看戲文化傳媒有限公司) and Jinan Yueyue Network Technology Co., Ltd.* (濟南如約網絡科技有限公司) (collectively as "Disposed Subsidiaries") to an independent third party at a total consideration of RMB100,000 (equivalent to approximately HK\$109,000). The Disposed Subsidiaries were principally engaged in telecommunication related business in the PRC.

The details are as follows:

	HK\$'000
Net liabilities disposed of	
Trade and other receivables	24
Bank balances and cash	_**
Trade and other payables	(955)
	(931)
Gain on disposal of subsidiaries	1,040
Total consideration	109
Analysis of net inflow of cash and cash equivalents in respect of disposal of subsidiaries:	
Cash consideration received	109
Bank balances and cash disposed	_**
	109

* For identification purpose only

** Less than HK\$1,000

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32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Interest in subsidiaries		–	–
Property, plant and equipment		519	1,557
Right-of-use assets		1,488	4,464
		2,007	6,021
CURRENT ASSETS			
Amounts due from subsidiaries	32(b)	93,241	106,473
Other receivables and prepayments		1,603	1,554
Bank balances and cash		43,193	55,361
		138,037	163,388
CURRENT LIABILITIES			
Other payables		1,485	1,721
Lease liabilities		1,755	3,362
		3,240	5,083
NET CURRENT ASSETS			
		134,797	158,305
TOTAL ASSETS LESS CURRENT LIABILITIES			
		136,804	164,326
NON-CURRENT LIABILITIES			
Lease liabilities		–	1,755
NET ASSETS			
		136,804	162,571
CAPITAL AND RESERVES			
Share capital	23	1,981,158	1,981,158
Reserves	32(a)	(1,844,354)	(1,818,587)
TOTAL EQUITY			
		136,804	162,571

This statement of financial position was approved and authorised for issue by the Board of Directors on 16 March 2026 and signed on its behalf by

Pang Yuet
Director

Wang Jizhuo
Director

Notes to the Consolidated Financial Statements

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32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

32(a) Reserves of the Company

	Capital Reserve*	Accumulated losses*	Total
	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	4,190	(1,793,317)	(1,789,127)
Loss and total comprehensive loss for the year	–	(29,460)	(29,460)
As at 31 December 2024 and 1 January 2025	4,190	(1,822,777)	(1,818,587)
Loss and total comprehensive loss for the year	–	(25,767)	(25,767)
As at 31 December 2025	4,190	(1,848,544)	(1,844,354)

* As at 31 December 2025, these reserves constituted the other reserves balance of HK\$1,844,354,000 (2024: HK\$1,818,587,000) per the Company's statement of financial position.

The Company did not have any reserves available for distribution to shareholders as at 31 December 2025 and 2024.

32(b) Amounts due from subsidiaries

The amounts due are unsecured, non-interest bearing and repayable on demand.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

33. PRINCIPAL SUBSIDIARIES

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and paid-up share capital/ registered capital	Attributable equity interest		Principal activities
			Directly held	Indirectly held	
BX Management Limited	Hong Kong	1 ordinary share with HK\$1 paid up	100% (2024: 100%)	–	Provision of management services to group companies
Palace View International Limited	The BVI	1 ordinary share of US\$1	100% (2024: 100%)	–	Investment holding
Sky Universe Investment Company Limited	Hong Kong	10,000 ordinary shares with HK\$10,000 paid up	100% (2024: 100%)	–	Investment holding
Beishang Limited	The BVI	100 ordinary shares of US\$100	–	100% (2024: 100%)	Investment holding
Beishang Limited	Hong Kong	100 ordinary shares with HK\$100 paid up	–	100% (2024: 100%)	Investment holding
Hillmax Enterprises Limited	The BVI	1 ordinary share of US\$1	–	100% (2024: 100%)	Investment holding
Laurel Gold Shipping Limited	Hong Kong	1 ordinary share with HK\$1 paid up	–	100% (2024: 100%)	Shipping and Logistics
Teamford Limited	Hong Kong	1 ordinary share with HK\$1 paid up	–	100% (2024: 100%)	Investment holding
北京宏碩數通科技有限公司	The PRC	RMB18,000,000 paid up	–	100% (2024: 100%)	E-commerce trading business and provision of industrial intelligent robotic solutions
北京北西商務諮詢有限公司	The PRC	RMB50,000,000 registered capital	–	100% (2024: 100%)	Telecommunication related business
北京北西電科技有限公司 #	The PRC	RMB18,100,000 paid up	–	100% (2024: 100%)	Telecommunication related business

This subsidiary is controlled by the Group through the Contractual Arrangements (note 4).

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, materially contribute to the results of the Group or hold a material portion of the assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Five-Year Financial Summary

Year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
		(re-presented)			
Continuing operations					
Revenue	61,597	48,142	94,628	106,533	64,708
Loss before income tax	(25,747)	(52,423)	(13,150)	(58,899)	(54,520)
Income tax credit	-	-	-	-	-
Loss for the year	(25,747)	(52,423)	(13,150)	(58,899)	(54,520)
Loss attributable to non-controlling interests	-	(528)	(1,544)	(2,235)	(721)
Loss attributable to owners of the Company	(25,747)	(51,895)	(11,606)	(56,664)	(53,799)
ASSETS AND LIABILITIES					
Total assets	148,219	172,695	219,949	207,696	254,683
Total liabilities	(11,467)	(10,466)	(26,874)	(70,123)	(56,294)
	136,752	162,229	193,075	137,573	198,389
Equity attributable to owners of the Company	136,752	162,229	191,879	134,804	193,018
Non-controlling interests	-	-	1,196	2,769	5,371
	136,752	162,229	193,075	137,573	198,389

Glossary

2018 Share Option Scheme	The share option scheme adopted by the Company on 20 August 2018 (as refreshed on 27 May 2022)
2022 AGM	The Company's Annual General Meeting held on 27 May 2022
2025 AGM	The Company's Annual General Meeting held on 23 May 2025
2026 AGM	The Company's Annual General Meeting to be held on 29 May 2026
Annual General Meeting or AGM	The Company's annual general meeting
Articles of Association	The Company's Articles of Association as amended, supplemented or modified from time to time
Audit Committee	The Audit Committee of the Company
Beishang	Beijing Beishang Xidian Technology Co., Ltd. (北京北商西電科技有限公司), a company established in the PRC
Beishang Equity Owner	the person with the PRC nationality who is the registered shareholder of Beishang and hold the entire equity interests of Beishang, namely, Mr. Sun Zheng
Beixi Business	Beijing Beixi Business Consultancy Co., Ltd. (北京北商務諮詢有限公司), a company established in the PRC and an indirect wholly owned subsidiary of the Company
Board	The Board of Directors of the Company
CG Code	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
Chairman	The chairman of the Company
Companies Ordinance	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Company	Asia Energy Logistics Group Limited
Consolidated Financial Statements	The audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025

Glossary

Contractual Arrangements	the series of contractual arrangements entered into among Beixi Business, Beishang and the Beishang Equity Owner, details of which are set out in the section headed “VI. The Contractual Arrangements” in the Company’s announcement dated 30 April 2021
Director(s)	Director(s) of the Company
dwt	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including cargoes, bunker, fresh water, crew and provisions
ED(s) or Executive Director(s)	Executive director(s) of the Company
Executive Committee	The Executive Committee of the Company
Group	The Company together with its subsidiaries
HKAS(s)	Hong Kong Accounting Standard(s)
HKFRS(s)	Hong Kong Financial Reporting Standard(s)
HKICPA	Hong Kong Institute of Certified Public Accountants
HK\$	Hong Kong dollar, the lawful currency of Hong Kong
INED(s) or Independent Non-executive Director(s)	Independent Non-executive Director(s) of the Company
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
Main Board	The Main Board of the Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
NED(s) or Non-executive Director(s)	Non-executive Director(s) of the Company
Nomination Committee	The Nomination Committee of the Company
the PRC or China	The People’s Republic of China

Glossary

Remuneration Committee	The Remuneration Committee of the Company
RMB	Renminbi, the lawful currency of the PRC
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	Ordinary share(s) of the Company
Shareholder(s)	Holder(s) of the Share(s)
SMS	Short Message Service
Stock Exchange	The Stock Exchange of Hong Kong Limited
TOR	Terms of reference
US\$	United States dollar, the lawful currency of United States of America
Vessel	Vessel named "Clipper Panorama", a bulk carrier vessel with Hong Kong flag