



Jintai Energy Holdings Limited

金泰能源控股有限公司

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 2728)

2025
Annual Report



Contents

Corporate Information	2
Management Discussion and Analysis	5
Corporate Governance Report	10
Biographical Details of Directors	21
Report of the Directors	23
Independent Auditor's Report	34
Consolidated Statement of Profit or Loss	38
Consolidated Statement of Comprehensive Income	39
Consolidated Statement of Financial Position	40
Consolidated Statement of Changes in Equity	42
Consolidated Statement of Cash Flows	43
Notes to the Consolidated Financial Statements	44
Financial Summary	102



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Han Jinfeng (*Chairman*) (appointed on 14 October 2025)
Mr. Chen Jinle (*Chief Executive Officer*) (appointed on 14 October 2025)
Ms. Yan Jiehua (appointed on 15 August 2025 and resigned on 14 October 2025)
Mr. Yuan Hongbing (re-designated as a non-executive director on 14 October 2025)
Ms. Bai Jie (re-designated on 19 December 2025)

Non-Executive Directors

Mr. Yuan Hongbing (*Vice-Chairman*) (re-designated on 14 October 2025)
Ms. Cao Yuqi (resigned on 4 August 2025)
Mr. Chen Yunwei (resigned on 17 October 2025)

Independent Non-Executive Directors

Mr. Tche Heng Hou Kevin
Mr. Mak Tin Sang
Ms. Bai Jie (appointed on 8 September 2025 and re-designated as an executive director on 19 December 2025)
Mr. Jiang Hao (resigned on 28 October 2025)
Ms. Li Jing (appointed on 19 December 2025)

AUDIT COMMITTEE

Mr. Tche Heng Hou Kevin (*Chairman of the Committee*)
Mr. Mak Tin Sang
Mr. Jiang Hao (resigned on 28 October 2025)
Ms. Bai Jie (appointed on 28 October 2025 and resigned on 19 December 2025)
Ms. Li Jing (appointed on 19 December 2025)

REMUNERATION COMMITTEE

Mr. Mak Tin Sang (*Chairman of the Committee*)
Mr. Yuan Hongbing
Mr. Tche Heng Hou Kevin
Ms. Bai Jie (appointed on 8 September 2025 and resigned on 19 December 2025)
Mr. Chen Jinle (appointed on 14 October 2025)
Mr. Jiang Hao (resigned on 28 October 2025)
Ms. Li Jing (appointed on 19 December 2025)

NOMINATION COMMITTEE

Mr. Han Jinfeng (*Chairman*) (appointed on 14 October 2025)
Mr. Tche Heng Hou Kevin
Mr. Mak Tin Sang
Ms. Cao Yuqi (appointed on 25 June 2025 and resigned on 4 August 2025)
Ms. Yan Jiehua (appointed on 15 August 2025 and resigned on 14 October 2025)
Mr. Yuan Hongbing (resigned on 14 October 2025)
Mr. Bai Jie (appointed on 14 October 2025 and resigned on 19 December 2025)
Mr. Jiang Hao (resigned on 28 October 2025)
Ms. Li Jing (appointed on 19 December 2025)

Corporate Information

AUTHORISED REPRESENTATIVES

Mr. Zhou Chen (resigned on 22 May 2025)
Mr. Yip Sing (appointed on 22 May 2025 and resigned on 27 October 2025)
Mr. Yuan Hongbing (resigned on 14 October 2025)
Mr. Han Jinfeng (appointed on 14 October 2025)
Mr. Chan Chun Hin (appointed on 27 October 2025)

COMPANY SECRETARY

Mr. Zhou Chen (resigned on 22 May 2025)
Mr. Yip Sing (appointed on 22 May 2025 and resigned on 27 October 2025)
Mr. Chan Chun Hin (appointed on 27 October 2025)

AUDITORS

AOGB CPA Limited
Registered Public Interest Entity Auditors

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Golden Phoenix Building
No. 111 Liyi Road
Lijin County
Dongying City
Shandong Province
the People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2601–2603, 26/F
Shui On Centre
6–8 Harbour Road
Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Corporate Information

PRINCIPAL BANKERS

China Merchants Bank
Dongying Bank Co., Limited
Industrial and Commercial Bank of China Limited
Nanyang Commercial Bank, Limited

LEGAL ADVISERS

As to Hong Kong law
Raymond Siu & Lawyers

As to Cayman Islands law
Conyers Dill & Pearman, Cayman

STOCK CODE

2728 (listed on the Main Board of The Stock Exchange of Hong Kong Limited)

WEBSITE

www.jintaienergy.com

Management Discussion and Analysis

BUSINESS REVIEW

The Group was principally engaged in three businesses: (i) energy business which comprised mainly the trading of energy-related products; (ii) operation of digital energy trading parks; and (iii) trading of other products during the year ended 31 December 2025 (the **"Reporting Period"**).

The Group's revenue for the Reporting Period was approximately HK\$1.39 billion, representing an increase of approximately 8.93% as compared to approximately HK\$1.28 billion for the corresponding period in 2024 (the **"Corresponding Period"**). The gross profit during the Reporting Period was approximately HK\$19.33 million (2024: approximately HK\$19.96 million), representing a decrease of approximately HK\$0.63 million or approximately 3.14% as compared to the Corresponding Period.

Energy business

During the Reporting Period, revenue derived from the energy trading business was approximately HK\$1.14 billion (2024: approximately HK\$1.20 billion), representing a year-on-year decrease of approximately 5.06%. The decrease in revenue was mainly attributable to a decrease in the number of customers.

During the Reporting Period, the Group was still facing challenges on the energy trading business due to geopolitics and the military conflict between (i) Ukraine and Russia and (ii) Israel and Iran. In view of that, the Group has been actively implementing different strategies for minimising the impact of the challenges, including but not limited to identifying and securing new customers, expanding its market share, enhancing its product portfolio and sourcing from new suppliers. The implementation of the aforesaid strategies turns out to be effective and the performance of the energy trading business has remained relatively stable as compared with that in the Corresponding Period.

Operation of digital energy trading parks

The Group has signed cooperation agreements with various entities in 12 cities and regions of China, and successfully introduced not less than 600 enterprises into the digital energy trading parks as at the date of this report. The operation and service business of digital energy trading parks generates stable income to the Group through (1) receiving fixed service fees from enterprises in the trading parks on an annual basis; (2) receiving service fees based on the value-added services provided to the enterprises in the trading parks; (3) applying for tax incentives or financial subsidies from local governments based on the economic benefits of the operation of the trading parks.

During the Reporting Period, the revenue derived from the operation of digital energy trading parks was approximately HK\$15.03 million (2024: approximately HK\$18.90 million). The Company believes that the digital energy trading parks business will continue to contribute economic benefits and bring new opportunities for the energy business of the Group in the future.

Other business, including drilling services and trading of other products

On 10 August 2021, the Group has entered into a drilling service agreement of oil wells with Beijing Huaye Jinquan Petroleum Energy Technology Development Company Limited, Yanchi Branch* (北京華燁金泉石油能源技術開發有限公司鹽池分公司) (**"Beijing Huaye"**) to provide drilling services for 63 oil wells at a contract sum of over RMB748 million. As certain conditions precedent have not yet been fulfilled, the new drilling services of the 63 oil wells of the Group has been deferred and has not yet commenced as at the date of this annual report.

In order to further diversify its business, the Group has acquired two companies engaging in trading of (i) agricultural products such as dry chili, sugar and corn; and (ii) deformed steel during the Corresponding Period. The Group will continue to explore new investment and business opportunities for further expansion and diversification.

During the Reporting Period, the revenue derived from trading of agricultural products, trading of deformed steel and sales of software were approximately HK\$203.81 million, approximately HK\$32.10 million and nil, respectively (2024: approximately HK\$21.68 million, approximately HK\$34.68 million and approximately HK\$1.08 million, respectively). The increase in revenue was mainly attributable to the full year recognition of revenue derived from trading of agricultural products during the Reporting Period.

* For identification purpose only

Management Discussion and Analysis

PROSPECTS

Looking forward to the year of 2026, the risk of stagflation in the global economy is expected to increase and the overall market conditions remain uncertain. The Group expects to face various challenges such as price fluctuation in oil and petrochemicals caused by the continuation of the military conflict between Ukraine and Russia and the economic uncertainty.

1. Energy business

The Group will continue to explore the opportunities of development of energy-related products and services in order to strengthen the energy business and to enhance the business competitiveness and profitability. The Group will endeavour to enter into business cooperation with sizable state-owned enterprises in order to minimise the risk of energy business. The Group will also closely monitor the global oil price fluctuation.

2. Operation of digital energy trading parks

The Group has been successful in developing the “digital energy trading parks” operation service for the petrochemical energy industry and has signed cooperative contracts with various entities in 12 cities and regions of China to co-build the Jintai Energy Digital Trading Industry Park since its commencement. The Group has introduced not less than 600 enterprises to the digital park. The Group aims to operate 30 industry digital parks, introducing more than 2,000 enterprises. The Group will continue to broaden its customer base to the digital trading industry in order to achieve a sustainable growth in the future.

3. Business expansion

The Group will continue to explore new investment and business opportunities in various fields including oil exploration and development.

To cope with the challenging environment, the Group will continue to identify and evaluate various development opportunities to strengthen our competitive advantages through deployment of more resources for capturing the market potentials and broaden its source of revenue so as to create value for our shareholders. The Directors are confident to achieve sustainable growth and bring greater returns to our shareholders in the long run.

FINANCIAL REVIEW

Results of operations

Revenue

During the Reporting Period, the revenue of the Group increased to approximately HK\$1.39 billion (2024: approximately HK\$1.28 billion), representing an increase of approximately 8.93% as compared to the Corresponding Period. The increase in revenue was mainly attributable to the full year recognition of revenue derived from trading of agricultural products during the Reporting Period.

Operating costs

The operating costs of the Group were approximately HK\$27.66 million during the Reporting Period (2024: approximately HK\$30.45 million), representing a decrease of approximately 9.15% as compared to the Corresponding Period. The decrease was in line with the decrease in gross profit for the Reporting Period.

Finance costs

The finance costs of the Group were approximately HK\$18.07 million during the Reporting Period, representing an increase of approximately 64.09% as compared to approximately HK\$11.02 million for the Corresponding Period.

Loss per share

For the Reporting Period, the basic loss per share was approximately 0.43 HK cents (2024: basic loss per share of approximately 0.51 HK cents), representing a decrease of approximately 15.69% as compared with the Corresponding Period.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Liquidity and financial resources

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$33.06 million (2024: approximately HK\$25.24 million), which were mainly denominated in Hong Kong dollars, US dollars and Renminbi.

As at 31 December 2025, the Group's net current assets were approximately HK\$52.02 million (2024: approximately HK\$65.54 million). The Group's current ratio as at 31 December 2025, being the ratio of total current assets to total current liabilities, was approximately 1.17 as compared to approximately 1.26 as at 31 December 2024.

The Group had bank borrowings of approximately HK\$17.81 million (2024 (restated): approximately HK\$16.64 million) which were denominated in Hong Kong dollars. The aforesaid bank borrowings were accounted for the current liabilities of the Group and repayable on demand.

On 19 May 2026, the Company entered into the fourth supplemental deed (the "**Fourth Supplemental Deed**") for the amendments to the terms and conditions of the convertible notes issued by the Company on 17 July 2019 (the "**Convertible Notes**"). The Fourth Supplemental Deed is subject to approval by the shareholders of the Company at the extraordinary general meeting. Pursuant to the Fourth Supplemental Deed, the Convertible Notes initially will be redeemed on 17 July 2027 and the interest on the notes will continue to be charged at 8% per annum until the settlement date. Except for the above, all other major terms of the Convertible Notes remain unchanged. As at 31 December 2025, the carrying amount of the principal and the interest payables of the Convertible Notes, classified as other borrowing as at 31 December 2025, issued by the Group was approximately HK\$163.61 million (2024: convertible notes of approximately HK\$146.83 million).

Capital structure and gearing ratio

As at 31 December 2025, the total issued shares of the Company were 4,455,020,888 shares (2024: 4,455,020,888).

As at 31 December 2025, the share capital and equity attributable to owners of the Company amounted to approximately HK\$5.57 million and approximately HK\$42.41 million respectively (2024: approximately HK\$5.57 million and approximately HK\$59.88 million respectively).

The gearing ratio of the Group was approximately 428% (2024 (restated): approximately 273%), which was computed by dividing the total borrowings of approximately HK\$181.42 million (2024 (restated): approximately HK\$163.47 million) by equity attributable to the owners of the Company of approximately HK\$42.41 million (2024: approximately HK\$59.88 million).

Treasury policies

The Group does not engage in any leverage or derivative arrangements. Since most of the Group's assets and liabilities are denominated in Hong Kong dollars, Renminbi or US dollars and the exchange rates of such currencies were relatively stable over the Reporting Period, the Directors believe that the Group's exposure to fluctuation in those currencies does not have any significant adverse effect to the Group. Nonetheless, the Group will closely monitor its foreign currency exposure and arrange for implementation of hedging measures when necessary.

Human resources and remuneration

The Group has employed a total of 89 employees as at 31 December 2025 (2024: 92 employees) in Hong Kong and the PRC. Staff costs (including directors' emoluments) during the Reporting Period amounted to approximately HK\$17.34 million (2024: approximately HK\$17.72 million). The Group recruits and selects candidates based on their qualifications and suitability for the position. It is the policy of the Group to recruit the most capable person available for each position.

The remuneration package of the Group's employees includes salary and bonus, which are generally determined by their qualifications, industry experiences, positions and experience. The Group makes contributions to social insurances and housing provident funds as required by the PRC laws and regulations.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Amendments to the terms and conditions of the convertible notes

On 29 May 2019, the Company has entered into a subscription agreement with Win Win International Strategic Investment Funds SPC (for the account and on behalf of Win Win Stable No. 1 Fund SP) ("**Win Win**"), pursuant to which the Company has issued the convertible notes in the principal amount of HK\$110,952,907. Win Win has subsequently transferred its interest in the convertible notes to Qilu International Funds SPC (for the account and on behalf of Zhongtai Dingfeng Classified Fund SP) ("**Qilu**") on 4 May 2020. The original maturity date was 17 July 2020 and the original conversion price was HK\$0.184 per conversion share.

On 16 July 2020, the Company has entered into a supplemental deed (the "**Supplemental Deed**") with Qilu to (a) amend the conversion price to HK\$0.134; (b) amend the number of conversion shares in light of the amendment to the conversion price; (c) extend the maturity date to 17 July 2021, and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the maturity date; and (d) the interest payment dates shall be 18 January 2021 and 17 July 2021. On 23 October 2020, ordinary resolutions approving the Supplemental Deed have been passed by the shareholders of the Company.

On 4 August 2021, the Company entered into the second supplemental deed (the "**Second Supplemental Deed**") with Qilu to (a) extend the maturity date to 17 July 2022 and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the extended maturity date; and (b) the interest payment dates shall be 17 January 2022 and 17 July 2022. On 20 October 2021, ordinary resolutions approving the Second Supplemental Deed have been passed by the shareholders of the Company.

On 20 March 2023, the Company entered into the third supplemental deed (the "**Third Supplemental Deed**") with Qilu to (a) aggregate all accrued and unpaid interest up to 18 July 2022 in the sum of HK\$12,337,857.56 with the original principal amount of the Convertible Notes, i.e. HK\$110,952,907, totalling HK\$123,290,764.56, which is treated as the new outstanding principal amount; (b) amend the interest rate to 8.00% per annum from 19 July 2022 onwards; (c) extend the Maturity Date to 17 July 2025 and extend the end of the conversion period to 4:00 p.m. (Hong Kong time) on the extended maturity date; and (d) the interest payment date shall be 17 July 2025. On 5 May 2023, ordinary resolutions approving the Third Supplemental Deed have been passed by the shareholders of the Company.

On 19 May 2026, the Company entered into the Fourth Supplemental Deed to the Convertible Notes. The Fourth Supplemental Deed is subject to approval by the shareholders of the Company at the extraordinary general meeting. Pursuant to the Fourth Supplemental Deed, the Convertible Notes initially will be redeemed on 17 July 2027 and the principal and the interest on the notes will continue to be charged at 8% per annum until the settlement date. Except for the above, all other major terms of the Convertible Notes remain unchanged.

All of the net proceeds have already been used for redemption of the convertible notes issued by the Company in 2017 and repayment of bank loans.

As at 31 December 2025, the carrying amount of the principal and the interest payables of the Convertible Notes, classified as other borrowing as at 31 December 2025, issued by the Group was approximately HK\$163.61 million (2024: convertible notes of approximately HK\$146.83 million).

Further details of the issuance of Convertible Notes, the first, second and third supplemental deeds are set out in the announcements of the Company dated 29 May 2019, 11 June 2019, 2 July 2019, 7 July 2019, 17 July 2019, 16 July 2020, 23 October 2020, 3 November 2020, 4 August 2021, 31 August 2021, 20 October 2021, 20 March 2023 and 5 May 2023 and the circulars of the Company dated 8 October 2020, 4 October 2021, 19 April 2023, 19 May 2026 and 17 June 2026.

Management Discussion and Analysis

CONNECTED TRANSACTIONS

Drilling services

On 10 August 2021, the Group and Beijing Huaye entered into an agreement regarding oil well drilling in Huian Oil Field (惠安油田), the PRC (the **"Huian Well Agreement"**). Pursuant to the Huian Well Agreement, the Group agreed to provide drilling services of an aggregate of 63 oil wells for Beijing Huaye for the purpose of extraction of oil at an aggregate consideration of approximately RMB748 million.

Mr. Han Jinfeng (**"Mr. Han"**), an executive Director and the chairman of the Company, was a majority ultimate beneficial shareholder of Beijing Huaye (holding 64% effective interest thereof). Therefore, the Huian Well Agreement constituted a connected transaction of the Company. Mr. Han is a cousin of Mr. Chen Jinle (**"Mr. Chen"**), an executive Director, the chief executive officer of the Company, and the substantial shareholder of the Company, the Huian Well Agreement constituted a connected transaction of the Company.

As at the date of this annual report, as certain conditions precedent have not yet been fulfilled, the Huian Well Agreement has not been performed yet.

For further details regarding the Huian Well Agreement, please refer to the announcements of the Company dated 10 August 2021 and 19 August 2021.

CAPITAL COMMITMENT

Contingent liabilities

Save for those disclosed in this annual report, as at 31 December 2025, the Group did not have any material contingent liabilities.

Pledge of assets

As at 31 December 2025, no assets of the Group have been pledged as security for the borrowings of the Group (2024: nil).

Significant investments and material acquisitions

There were no significant investment or any material acquisition or disposal of subsidiaries during the year ended 31 December 2025.

Corporate Governance Report

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company is committed to maintaining a high standard of corporate governance and has put in place self regulatory corporate practices to protect the interests of the shareholders of the Company (the “**Shareholder(s)**”) and the enhancement of Shareholders’ value. Our corporate on governance mission is to provide high-quality products and services to the satisfaction of our customers, maintain high standards of business ethics, and achieve these goals while, at the same time, providing satisfactory and sustainable returns to the Shareholders.

In addition, the Group carried out its business in a socially responsible manner through a variety of initiatives and considers this as a part of its overall commitment to good corporate governance.

The Company has a code of business conduct that sets out the principles, values and standards of conduct expected of the management and staff of the Group, and stipulates the Group’s operating procedures and policies.

The Company has, throughout the Reporting Period, applied and complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 of the Listing Rules except for the following deviation.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. From 1 January 2025 to 14 August 2025, the roles of the chairman of the Board and the chief executive officer of the Company was not separate and both were performed by Mr. Yuan. Considering that all the Directors meet regularly and all major decisions of the Company are made in consultation with the members of the Board, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Company and believe this structure will enable the Company to make and implement decisions efficiently. On 15 August 2025, Mr. Yuan resigned as chief executive officer of the Company and Ms. Yan Jiehua (“**Ms. Yan**”) was appointed in his stead. The Company no longer deviated from code provision C.2.1 of the CG Code thereafter.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding the Company’s directors’ securities transactions. Having made specific enquiries by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the Reporting Period.

The Company has established written guidelines on no less exacting terms than the Model Code for dealings in the Company’s securities by relevant employees who are likely to be in possession of unpublished inside information in relation to the Company or its securities. The Company has received written annual compliance declaration from employees confirming their compliance.

Corporate Governance Report

BOARD OF DIRECTORS

Composition

The Directors who held office during the Reporting Period and as at the date of this annual report are as follows:

Executive Directors

Mr. Han Jinfeng (*Chairman*) (appointed on 14 October 2025)
Mr. Chen Jinle (*Chief Executive Officer*) (appointed on 14 October 2025)
Ms. Yan Jiehua (appointed on 15 August 2025 and resigned on 14 October 2025)
Mr. Yuan Hongbing (re-designated as a non-executive director on 14 October 2025)
Ms. Bai Jie (re-designated on 19 December 2025)

Non-Executive Directors

Mr. Yuan Hongbing (*Vice-Chairman*) (re-designated on 14 October 2025)
Ms. Cao Yuqi (resigned on 4 August 2025)
Mr. Chen Yunwei (resigned on 17 October 2025)

Independent Non-Executive Directors

Mr. Tche Heng Hou Kevin
Mr. Mak Tin Sang
Ms. Bai Jie (appointed on 8 September 2025 and re-designated as an executive director on 19 December 2025)
Mr. Jiang Hao (resigned on 28 October 2025)
Ms. Li Jing (appointed on 19 December 2025)

The biographical details of the Directors are set out in the section headed “Biographical Details of Directors” on pages 21 to 22 of this annual report. There is no relationship (whether financial, business, family or other material or relevant relationships) amongst the members of the Board, senior management or substantial Shareholder or controlling Shareholder of the Company.

The composition of the Board is well balanced with each Director having extensive corporate and strategic planning experience, sound industry knowledge and/or professional expertise. All independent non-executive Directors have offered sufficient time and efforts to serve the business affairs of the Company. They also possess appropriate academic and professional qualifications and related management experience and have contributed to the Board with their professional opinion. The Board believes that the ratio among executive Directors, non-executive Director and independent non-executive Directors is reasonable and appropriate. The Board also believes that the participation of independent non-executive Directors can offer their independent judgment and expertise on issues relating to, *inter alia*, strategy, performance, conflict of interest and management process such that the interests of all Shareholders and the Group are considered and safeguarded.

Responsibilities

The Board is responsible for the formulation of business policies and strategies in relation to the business operation of the Group and to ensure the availability of sufficient resources as well as the effectiveness of its system of internal control.

Implementation and execution of the policies, strategies and resolutions of the Board and the daily operations are delegated by the Board to the management of the Group. In addition, the Audit Committee, the Remuneration Committee and the Nomination Committee were set up to assist the Board in fulfilling certain responsibilities. Further details of these committees are set out in the section headed “Board Committees” of this annual report.

Corporate Governance Report

BOARD OF DIRECTORS *(Continued)*

Chairman and chief executive officer

Code provision C.2.1 of the CG Code stipulated that the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. From 1 January 2025 to 14 August 2025, the roles of the chairman of the Board and the chief executive officer of the Company were not separate and both were performed by Mr. Yuan Hongbing. Considering that all the Directors meet regularly and all major decisions of the Company are made in consultation with the members of the Board, the Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Company and believe this structure will enable the Company to make and implement decisions efficiently. On 15 August 2025, Mr. Yuan resigned as chief executive officer of the Company and Ms. Yan Jiehua was appointed in his stead. The Company no longer deviated from code provision C.2.1 of the CG Code thereafter.

Throughout the Reporting Period and up to the date of this annual report, the Company has complied with the requirements under Rules 3.10 and 3.10A of the Listing Rules, which require at least three independent non-executive Directors, at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise and the independent non-executive Directors must represent at least one-third of the Board. All independent non-executive Directors have confirmed their independence, as required under Rule 3.13 of the Listing Rules, to the Company and the Board considers that all independent non-executive Directors are independent.

Directors' and officers' liabilities insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities.

Board meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, in addition to the meetings for reviewing and approving the Group's annual and interim results. The Directors had participated in the Board meetings as indicated below. For those Directors who could not attend these meetings in person, they participated through electronic means.

The company secretary of the Company (the "**Company Secretary**") assists the Chairman in preparing the agenda of the meetings and each Director may request to include any relevant matters in the agenda. Generally, at least 14 days' notice is given for the regular Board meetings by the Company. All substantive agenda items have comprehensive briefing papers, which are, generally, circulated at least three days before each Board meeting.

All Directors are able to seek advice and services from the Company Secretary on the Board procedures and all applicable laws, rules and regulations, and corporate governance matters. Draft minutes of Board meetings and meetings of the Board committees are circulated to all Directors for comment and approval as soon as practicable after the meetings. Minutes of Board meetings and meetings of Board committee are kept by the Company Secretary and all Board members are given a copy of the minutes for their record. Should a matter being considered involve a potential conflict of interest of a Director, the Director involved in the transaction would be required to declare his interests, abstain from voting and the matter would be discussed and resolved by other Directors. Policy is in place that the Directors, upon reasonable request, may seek independent professional advice on issues related to the Group's business at the Company's expenses. The Company Secretary has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements during the Reporting Period.

Corporate Governance Report

BOARD OF DIRECTORS (Continued)

Board meetings (Continued)

During the Reporting Period, the number of meetings, including Board meetings, Board committees' meetings and general meeting held and the attendance of each Director are set out below:

	Annual General Meeting	Meetings Attended			
		Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings held during the Reporting Period	1	8	4	6	6
<i>Executive Directors</i>					
Mr. Han Jinfeng (<i>Chairman</i>) (appointed on 14 October 2025)	N/A	3	N/A	N/A	2
Mr. Chen Jinle (<i>Chief Executive Officer</i>) (appointed on 14 October 2025)	N/A	3	N/A	2	N/A
Ms. Yan Jiehua (appointed on 15 August 2025 and resigned on 14 October 2025)	N/A	1	N/A	N/A	1
Mr. Yuan Hongbing (re-designated as a non-executive director on 14 October 2025)	1	4	N/A	N/A	3
Ms. Bai Jie (re-designated on 19 December 2025)	N/A	1	N/A	N/A	N/A
<i>Non-Executive Directors</i>					
Mr. Yuan Hongbing (<i>Vice-Chairman</i>) (re-designated on 14 October 2025)	N/A	N/A	N/A	N/A	N/A
Ms. Cao Yuqi (resigned on 4 August 2025)	1	N/A	N/A	N/A	N/A
Mr. Chen Yunwei (resigned on 17 October 2025)	1	N/A	N/A	N/A	N/A
<i>Independent Non-Executive Directors</i>					
Mr. Tche Heng Hou Kevin	1	8	4	6	6
Mr. Mak Tin Sang	1	8	4	6	6
Ms. Bai Jie (appointed on 8 September 2025 and re-designated as an executive director on 19 December 2025)	N/A	3	1	2	2
Mr. Jiang Hao (resigned on 28 October 2025)	1	5	2	4	4
Ms. Li Jing (appointed on 19 December 2025)	N/A	1	1	N/A	N/A

During the Reporting Period, no extraordinary general meeting was held by the Company.

Code provision C.1.5 of the CG Code stipulated that independent non-executive directors and other non-executive directors should attend the general meetings to gain and develop a balanced understanding of the views of the Shareholders.

Code provision F.1.3 of the CG Code stipulates that the chairman of the board of directors should attend the annual general meetings.

All Directors have attended the annual general meeting held on 13 June 2025 either in person or through electronic means.

During the Reporting Period, the Chairman has met once with the independent non-executive Directors without the presence of any other executive Director or management.

Corporate Governance Report

DIRECTORS' TERMS OF APPOINTMENT

All Directors are subject to retirement by rotation and re-election at the annual general meeting at least once every three years in accordance with the articles of association of the Company (the **"Articles of Association"**).

Mr. Han Jinfeng, an executive Director, has entered into a service agreement with the Company for a term of three years commencing on 14 October 2025.

Mr. Chen Jinle, an executive Director, has entered into a service agreement with the Company for a term of three years commencing on 14 October 2025.

Ms. Bai Jie (**"Ms. Bai"**), an executive Director, has entered into an appointment letter with the Company for a term of three years commencing on 19 December 2025.

Ms. Li Jing, an independent non-executive director, has entered into an appointment letter with the Company for a term of three years commencing on 19 December 2025.

Save for the aforesaid, other Directors do not have subsisting services agreement with the Company.

DIRECTORS' TRAINING

Principle C.1 of the CG Code stipulated that Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remain informed and relevant.

All Directors are encouraged to participate in continuous professional development activities by ways of attending trainings and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. A summary of professional trainings received by the Directors for the Reporting Period according to the records provided by the Directors is as follows:

	Attending seminar(s)/ programme(s)/ conference(s) and/or reading materials relevant to the business or directors' duties
Mr. Han Jinfeng (<i>Chairman</i>) (appointed on 14 October 2025)	✓
Mr. Chen Jinle (<i>Chief Executive Officer</i>) (appointed on 14 October 2025)	✓
Ms. Bai Jie (appointed as an independent non-executive director on 8 September 2025 and re-designated as an executive director on 19 December 2025)	✓
Mr. Yuan Hongbing (<i>Vice-Chairman</i>) (re-designated as a non-executive director on 14 October 2025)	✓
Mr. Tche Heng Hou Kevin	✓
Mr. Mak Tin Sang	✓
Ms. Li Jing (appointed on 19 December 2025)	✓
Ms. Cao Yuqi (resigned on 4 August 2025)	✓
Mr. Yan Jiehua (appointed on 15 August 2025 and resigned on 14 October 2025)	✓
Mr. Chen Yunwei (resigned on 17 October 2025)	✓
Mr. Jiang Hao (resigned on 28 October 2025)	✓

BOARD PERFORMANCE EVALUATION

The Board believes that regular Board performance evaluation (the **"Board Performance Evaluation"**) is an essential element to maintaining high standards of corporate governance and enhancing Board effectiveness. The objective of Board Performance Evaluation is for measuring the accountability, transparency and effectiveness of the Board, and ultimately aiming to identify areas for improvement and promote the ongoing enhancement of governance procedures. The scope of the evaluation will cover various aspects, including: (i) Board mix and composition; (ii) relationship between the Board and the management; and (iii) quality of information and decision making.

Pursuant to Code Provision 8.1.4 of the Corporate Governance Code, the Board Performance Evaluation shall be conducted at least once in every two years. During the year ended 31 December 2025, the Company has not conducted the Board Performance Evaluation (except for the review of the Board's composition and skills). The Board Performance Evaluation will be conducted during the year ending 31 December 2026.

Corporate Governance Report

BOARD DIVERSITY POLICY

During the Reporting Period, the Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria, having regard for the requirements of diversity on the Board.

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

The Company has appointed two female Board members and achieved gender diversity during the Reporting Period in accordance with the requirements of the Listing Rules.

WORKFORCE DIVERSITY POLICY

The Company has adopted a workforce diversity policy. The Company considers workforce diversity as an important element in maintaining sustainable growth and operational success and driving high performance across the Group. The Company is committed to fostering an inclusive, diverse, and supportive workplace where all employees, regardless of gender, age, family status, race ethnicity, religion, sexual orientation, disability or other characteristics protected by applicable laws, are valued, respected, and treated fairly with equal opportunities. The Company does not tolerate any form of bias, discrimination, harassment and violence in the workplace and in any work-related circumstances.

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends. Depending on the financial conditions of the Company and the Group and the conditions and various factors including but not limited to the Group's financial results, cash flow position, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, Remuneration Committee and Nomination Committee with specific terms of reference.

Audit Committee

The Audit Committee assists the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee currently consists of three members. During the Reporting Period and as at the date of this annual report, the members of the Audit Committee were as follows:

Mr. Tche Heng Hou Kevin (*Chairman of the Committee*)

Mr. Mak Tin Sang

Mr. Jiang Hao (resigned on 28 October 2025)

Ms. Bai Jie (appointed on 28 October 2025 and resigned on 19 December 2025)

Ms. Li Jing (appointed on 19 December 2025)

The Company has three members in the Audit Committee and has complied with the minimum number required under Rule 3.21 of the Listing Rules.

The chairman of the Audit Committee is Mr. Tche Heng Hou Kevin, who possesses an appropriate professional accounting qualification and financial management expertise.

The terms of reference of the Audit Committee follow the code provisions set out in the CG Code and are available on the websites of the Company and the Stock Exchange.

Corporate Governance Report

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

The Audit Committee held two meetings during the Reporting Period. Details of attendance at the meetings of the Audit Committee are set out in the sub-section headed "Board meetings" of the section headed "Board of Directors". The following matters were dealt with at the said meetings or by way of written resolutions:

- reviewing the consolidated financial statements for the year ended 31 December 2024 and the corresponding annual results announcement;
- reviewing the interim consolidated financial statements for the six months ended 30 June 2025 and the corresponding interim results announcement;
- reviewing the significant audit and accounting issues arising from the external auditor's audit;
- considering the appointment of the external auditor and their audit fees;
- meeting with the external auditor without the presence of management to discuss issues arising from the audits and any other matters the auditor might wish to raise;
- reviewing the development in accounting standards and the Group's response, including the preparation for adoption of Hong Kong Financial Reporting Standards;
- reviewing the Company's compliance with regulatory and statutory requirements; and
- reviewing the effectiveness of the internal control and risk management system.

The annual results for the Reporting Period have been reviewed by the Audit Committee before submission to the Board for approval.

Remuneration Committee

The Remuneration Committee currently consists of one executive Director, one non-executive Director and three independent non-executive Directors. During the Reporting Period and as at the date of this annual report, the members of the Remuneration Committee were as follows:

Mr. Mak Tin Sang (*Chairman of the Committee*)

Mr. Yuan Hongbing

Mr. Tche Heng Hou Kevin

Ms. Bai Jie (appointed on 8 September 2025 and resigned on 19 December 2025)

Mr. Chen Jinle (appointed on 14 October 2025)

Mr. Jiang Hao (resigned on 28 October 2025)

Ms. Li Jing (appointed on 19 December 2025)

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all remuneration of executive Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, and review and approve matters relating to share schemes under Chapter 17 of the Listing Rules. They have the delegated responsibility to determine the remuneration packages of each of the executive Directors and senior management of the Company. The terms of reference of the Remuneration Committee follow the code provisions set out in the CG Code and are available on the websites of the Company and the Stock Exchange.

In order to attract and retain staff of suitable calibre, the Group provides competitive remuneration packages. Although the remuneration packages are not entirely linked to the profits of the Company or department in which the staff are working in, it is considered that, given the volatility of various businesses within the Group, this has contributed considerably to the maintenance of a stable, motivated and high-calibre senior management team in the Company.

Corporate Governance Report

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

During the Reporting Period, the Remuneration Committee held one meeting. Details of attendance at the meetings of the Remuneration Committee are set out in the sub-section headed "Board meetings" of the section headed "Board of Directors". The following matters were dealt with at the said meeting or by way of written resolutions:

- to review and discuss the remuneration packages for the Directors and senior management of the Company;
- to consider salaries paid by comparable companies, time commitment and responsibilities and employment elsewhere in the Group;
- to review the performance of Directors;
- to review and discuss the remuneration policy and structure for the Directors and senior management of the Company;
- to review and approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- to consider and approve the remuneration packages for the proposed Directors and contract renewal of existing Directors; and
- to review and approve the employees' salary increments proposal. None of the members of the Remuneration Committee took part in voting on his own remuneration at the meeting.

The annual remuneration of members of the senior management (including all executive Directors) by band for the Reporting Period is set out below:

Annual remuneration bands (HK\$)	Number of person(s)
1,000,000–1,500,000	1

Nomination Committee

The Nomination Committee currently consists of one executive Director and three independent non-executive Directors. During the Reporting Period and as at the date of this annual report, the members of the Nomination Committee were as follows:

Mr. Han Jinfeng (*Chairman*) (appointed on 14 October 2025)
Mr. Tche Heng Hou Kevin
Mr. Mak Tin Sang
Ms. Cao Yuqi (appointed on 25 June 2025 and resigned on 4 August 2025)
Ms. Yan Jiehua (appointed on 15 August 2025 and resigned on 14 October 2025)
Mr. Yuan Hongbing (resigned on 14 October 2025)
Mr. Bai Jie (appointed on 14 October 2025 and resigned on 19 December 2025)
Mr. Jiang Hao (resigned on 28 October 2025)
Ms. Li Jing (appointed on 19 December 2025)

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, make recommendations to the Board on the appointment or re-appointment of Directors and assess the independence of independent non-executive Directors. The terms of reference of the Nomination Committee follow the code provisions set out in the CG Code and are available on the websites of the Company and the Stock Exchange.

In considering the new appointment or re-election of Directors, the Nomination Committee will take different criteria into consideration including but not limited to the expertise, experience and integrity of the candidates.

Corporate Governance Report

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

During the Reporting Period, the Nomination Committee held two meetings. Details of attendance at the meetings of the Nomination Committee are set out in the sub-section headed "Board meetings" of the section headed "Board of Directors". The following matters were dealt with at the said meeting or by way of written resolutions:

- to review and discuss the structure, size and composition of the Board;
- to review and discuss the board diversity policy of the Company;
- to consider the proposed appointment of Directors and the contract renewal of existing Directors;
- to assess the independence of the independent non-executive Directors;
- to consider the re-election of Directors; and
- to review the composition of the Board.

None of the members took part in voting on his re-election as Director at the meeting.

Corporate governance functions

The Board is responsible for developing and reviewing the Company's policies and practices on corporate governance and performing corporate governance duties as set out in code provision A.2.1 of the CG Code. The following is a non-comprehensive summary of the duties performed by the Board for the Reporting Period:

- to develop, approve and review the Company's policies and practices on corporate governance;
- to review the Company's overall corporate governance arrangements;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance (if any) applicable to the Directors and employees; and
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

NOMINATION POLICY

The nomination policy of the Company aims to set out the suitable candidates to become the members of the Board. The procedures for nominating Directors are set out under the nomination policy of the Company. The Company Secretary shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by the Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for the role of Director include, *inter alia*, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as a member of the Board, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

CONTROL MECHANISMS

The Board acknowledges its responsibility in maintaining a sound and effective internal control and risk management systems for the Group to safeguard Shareholders' investments and assets of the Company at all times.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

The Company conducts an annual review on whether there is a need for the establishment of an internal audit department. Given the Group's simple operating and management structure, as opposed to a separate internal audit department, the Board is directly responsible for the establishment, maintenance and review of the Group's systems of internal controls and risk management throughout the Reporting Period and their effectiveness. The Company has engaged an external independent professional advisory firm (the **"Independent Advisor"**) to review the effectiveness and adequacy of risk management and internal control systems for the Reporting Period so as to ensure their effectiveness and adequacy. The Independent Advisor had reviewed and analysed all material controls of the Group, including financial, operational and compliance controls and their associated risks. The reports from the Independent Advisor were presented to and reviewed by the Audit Committee and the Board. The internal audit service was also rendered by the Independent Advisor.

The Board considered the risk management and internal control systems of the Group to be adequate and effective for the Reporting Period. The Board also conducted a review of the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programs and budget which are considered to be adequate for the Reporting Period.

The Board wishes to emphasise that the risk management and internal control systems are designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group strictly follows the requirements of the Securities and Futures Ordinance, Cap. 571 of the laws of Hong Kong (the **"SFO"**) and the Listing Rules and ensures that inside information is disclosed to the public as soon as practicable unless the information falls within any of the safe harbours of the SFO. Before inside information is fully disclosed to the public, such information is kept strictly confidential. The Company also implements an internal policy on handling inside information which is consistent with the relevant applicable requirements of the Listing Rules. The policy sets out measures and procedures for the Directors and other relevant officers of the Company to assume duty when dealing with inside information and preservation of its confidentiality before proper disclosure. It also sets out guidelines for the Board to disclose any material inside information timely according to the relevant statutory and regulatory requirements. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are true, accurate and not misleading in all material respect by presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Company for each financial year and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the consolidated financial statements.

The statement of the external auditor of the Company with regard to their reporting responsibilities on the Company's consolidated financial statements, is set out in the Independent Auditor's Report on pages 34 to 37 of this annual report.

The Directors confirm that, to the best of their knowledge, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions which may cause the Company not to continue as a going concern. Therefore, the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

AUDITOR'S REMUNERATION

For the Reporting Period, services provided to the Company by its external auditor, AOGB CPA Limited, and the respective fees paid were as follows:

	2025 HK\$'000
AOGB CPA Limited	
Audit services	1,300
Other non-audit services	150

Corporate Governance Report

SHAREHOLDERS' RIGHTS AND PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS BY SHAREHOLDERS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. Each general meeting, other than an annual general meeting, shall be an extraordinary general meeting.

Pursuant to article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up share capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by depositing a written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such requisition, the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholders may at any time put forward their enquiries (including the procedures for putting forward proposals at general meetings of the Company) to the Board in writing through the Company Secretary whose contact details are as follows:

Jintai Energy Holdings Limited
Suites 2601–2603
26/F, Shui On Centre
6–8 Harbour Road
Wan Chai, Hong Kong

Pursuant to article 85 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board established a Shareholders' communication policy to ensure that Shareholders and potential investors are provided with ready, equal and timely access to information of the Company.

The Company has maintained a corporate website at www.jintaienergy.com through which the Company's updated financial information, business development, announcements, circulars, notices of meetings, press releases and contact details can be accessed by the Shareholders and investors.

The annual general meeting and extraordinary general meetings (if any) also provide important opportunities for constructive communication between the Board and Shareholders.

The Company has reviewed its communication policy and in light of the above, the Company considers it to be effective.

COMPANY SECRETARY

Mr. Zhou Chen resigned as the Company Secretary on 22 May 2025. Mr. Yip Sing was appointed as the Company Secretary on 22 May 2025 and resigned as the Company Secretary on 27 October 2025. Mr. Chan Chun Hin was appointed as the Company Secretary on 27 October 2025.

Mr. Chan Chun Hin has confirmed that he received not less than 15 hours of relevant professional training during the Reporting Period. Mr. Chan is not an employee of the Company. Mr. Chen Jinle an executive Director, is the primary contact of Mr. Chan.

CONSTITUTIONAL DOCUMENTS

There was no change in the memorandum and articles of association of the Company and other constitutional documents during the Reporting Period.

Biographical Details of Directors

The Directors as at the date of this annual report are as follows:

BOARD OF DIRECTORS

Executive Directors

Mr. Han Jinfeng, aged 48, has been an executive Director, the Chairman of the Board and the chairman of the Nomination Committee since October 2025. He holds a bachelor's degree in economics and business administration awarded by Nanjing Political College* (南京政治學院). Mr. Han is a cousin of Mr. Chen Jinle, who is currently an executive Director, the chief executive officer and a substantial shareholder of the Company.

Mr. Han has over 25 years of investment and management experience in the oil and gas exploration industry as well as an extensive experience and capabilities in the industrial investment, innovation management and market development. Mr. Han is also currently the chairman of the board of directors of Hong Kong Yun Ding International Investment Holding Limited (香港雲鼎國際投資控股集團有限公司).

Mr. Chen Jinle, aged 39, has been an executive Director, the chief executive officer of the Company and the member of the Remuneration Committee since October 2025.

Mr. Chen has over 15 years of work experience in energy industry and is currently the chairman of the board of directors of Dongying Zhongheng Weiye Petrochemical Co., Ltd.* (東營市中恒偉業石油化工有限公司) and the general manager of Dongying Guoan Renewable Resources Development Co., Ltd.* (東營國安再生資源開發有限公司).

Ms. Bai Jie, aged 42, has been an executive Director since December 2025.

Ms. Bai graduated from the Central Conservatory of Music with a bachelor's degree in vocal and opera in 2008. She obtained a master's degree in finance and business management from The University of Hong Kong in 2024. Ms. Bai worked at the China National Opera from 2009 to 2010. She was the vice general manager at Beijing Bida Xingye Technology Development Co., Ltd.* (北京彼達興業科技發展有限公司) from 2013 to 2015, responsible for project supervision, coordination, contract execution and after-sales services. She served as the vice general manager at Yunding Petroleum and Natural Gas (China) Co., Ltd.* (雲頂石油天然氣(中國)有限公司) from 2016 to 2019, responsible for overseeing the administrative, personnel and logistical affairs. Since 2020, Ms. Bai has been the director and vice president of Hong Kong Yun Ding International Investment Holding Limited (香港雲鼎國際投資控股集團有限公司), responsible for the administrative, personnel and Beijing office affairs.

Non-executive Director

Mr. Yuan Hongbing, aged 47, has been re-designated as the non-executive Director, the Vice-Chairman of the Board of the Company since October 2025.

Mr. Yuan has over 20 years of work experience in investment and internet industry and he is the founder and the chairman of the board of directors of Yuanchuang Capital, which principally engaged in "capital+", "Internet+", property investment and fund management. Mr. Yuan is also the chairman of the board of directors of Guosheng EcoCommerce Industry Holding Group. Mr. Yuan was appointed as an executive Director of China Clean Energy Technology Group Limited (Stock Code: 2379), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") from 3 October 2022 to 17 March 2023. Mr. Yuan has also been appointed as the executive Director and chairman of the board of Pa Shun International Holdings Limited (Stock Code: 574), a company listed on the main board of the Stock Exchange since 28 March 2023 and 2 April 2024.

* For identification purpose only

Biographical Details of Directors

BOARD OF DIRECTORS (Continued)

Independent Non-Executive Directors

Mr. Tche Heng Hou Kevin, aged 65, has been an independent non-executive Director since June 2019. He also serves as the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee of the Board. Mr. Tche obtained a master of professional accounting degree from University of Polytechnic Hong Kong in December 2005. He was admitted as an associate of Association of Chartered Certified Accountants in March 1997 and a certified public accountant of the HKICPA in April 1997. In addition, he was admitted as a fellow member of Association of Chartered Certified Accountants in March 2002. He obtained the Practising Certificate of HKICPA in January 1999 and was qualified as the Certified Dealmaker of the China Mergers & Acquisitions Association in February 2015.

He has many years of experience in accounting, auditing and corporate financial management. From 1989, he worked for Allied Overseas Investment Limited as a group finance manager. From May 1990 to July 1997, he worked for Distribution Services Limited as a group finance manager. From August 1997 to March 2000, he worked as an audit manager for Baker Tilly, a leading provider of accountancy and business services principally engaged in audit assurance, advisory and pre-IPO assignments. From March 2000 to January 2001, he served as a group financial controller, Asia Pacific Region, of USF Asia Group Limited. From February 2001 to December 2003, Mr. Tche worked as a regional financial controller of Hong Kong and China offices for ABX Logistics (Hong Kong) Limited. From February 2005 to October 2007, he served as a Finance Manager for South Mainland China Region of BAX Global Hong Kong, a subsidiary of Brinks group, which is listed on the main board of New York Stock Exchange. From April 2009 to December 2012, he worked as a finance director of Yatfai Group Limited.

Mr. Tche started up his accountancy and business consultancy firm in January 2013, which principally provided audit, assurance, taxation, management consulting, advisory and corporate services.

Mr. Mak Tin Sang, aged 69, has been an independent non-executive Director since April 2020. He also serves as the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Board.

He obtained his Master's Degree in Business Administration from the University of Sheffield, U.K. He is also a fellow member of the United Kingdom Chartered Association of Certified Accountants and an associate member of the Australian Certified Management Accountants. Mr. Mak was appointed as an independent non-executive director of Ozner Water International Holding Limited (Stock Code: 2014), a company previously listed on the main board of the Stock Exchange, from 16 September 2022 to 28 December 2022. He was also appointed as (i) an independent non-executive director of China Clean Energy Technology Group Limited (Stock Code: 2379), a company listed on the main board of the Stock Exchange, from 25 November 2021 to 27 March 2023; (ii) an independent non-executive director of Sky Blue 11 Company Limited (Stock Code: 1010), a company listed on the main board of the Stock Exchange, from 9 September 2024 to 8 November 2024; (iii) an independent non-executive director of China Tianrui Group Cement Company Limited (Stock Code: 1252), a company listed on the main board of the Stock Exchange since 23 September 2024; and (iv) an independent non-executive director of IDT International Limited (Stock Code: 167), a company listed on the main board of the Stock Exchange since 25 September 2024. Mr. Mak has served as an executive Director of China Graphene Group Limited (now known as China Asia Valley Group Limited) (Stock Code: 63), a company listed on the main board of the Stock Exchange, from 6 November 2015 to 16 May 2017. Mr. Mak had been working as the chief financial officer and was appointed as an executive director of Armada Group Limited (now known as Sinocloud Group Limited), a company listed on the Catalist Board of Singapore Exchange Limited, from June 2013 to late 2015. He was the chief financial officer of LottVision Limited (now known as Nutryfarm International Limited), a company listed on the main board of the Singapore Exchange Limited, between August 2001 and September 2003.

Ms. Li Jing, aged 55, has been an independent non-executive Director since December 2025. She also serves as a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Board.

Ms. Li was the accounting manager at Laiwu Steel Group Company Limited* (萊蕪鋼鐵集團有限公司) from 1993 to 2003, responsible for accounting and finance affairs. She served as the general manager at Laiwu Tai Xiang Trading Company Limited* (萊蕪泰祥物資有限公司) from 2003 to 2005, responsible for overseeing the administrative, personnel and operation affairs. Since 2005, Ms. Li has been the chairlady of board of directors and general manager of Shandong Jintai Steel Company Limited* (山東晉泰鋼鐵有限公司), responsible for the management of steel and iron production businesses and affairs.

* For identification purpose only

Report of the Directors

The Directors are pleased to present to the Shareholders their report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Particulars of the Company's principal subsidiaries are set out in Note 16 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results for the Reporting Period are set out in the consolidated financial statements on pages 38 to 43 of this annual report.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2025 are set out in Note 16 to the consolidated financial statements on pages 80 to 82 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group during the Reporting Period and a discussion on the Group's future business development are set out in the section headed "Management Discussion and Analysis" on pages 5 to 9 of this annual report. Discussions on the Company's compliance with significant relevant laws and regulations and the Company's key relationships with its employees, customers and supplies are set out in this Report of the Directors of this annual report on page 24 respectively. Those discussions form part of this Report of the Directors.

The Group is committed to the long-term sustainability and commitment of the environment and to become an environmentally-friendly corporation. The Group strives to minimise its environmental impact during its operation. Further details are set out in the "Environmental, Social and Governance Report" of the Company.

PRINCIPAL RISKS AND UNCERTAINTY

Risk associated with financial instruments of the group

The financial risk management objectives and policies of the Group are set out in Note 4.2 to the consolidated financial statements.

Risk associated with key sources of estimation uncertainty

Details of the key sources of estimation uncertainty as at 31 December 2025 are set out in Note 5 to the consolidated financial statements.

Risk associated with oil price fluctuation

The fuel oil prices had been fluctuating during the Reporting Period and they are expected to remain volatile in the foreseeable future because of market uncertainties over the supply and demand of these commodities resulting from highly uncertain weighing on the global growth. As a result, it is difficult for the Group to formulate the budget for and project the return of the business. The management of the Company will monitor the oil market closely and consider hedging fuel oil prices should the need arise.

Market competition risk

Major competitors of the Group comprise other large domestic energy-related products distributors. With the gradual opening up of the domestic market in China, other foreign oil companies have become competitors of the Group in certain regions. The Group is facing relatively keen competition in energy-related-products business.

The management of the Company will continuously monitor the competitors in the industry and differentiate itself from them. Furthermore, the management of the Company will continue to develop potential markets, explore new customers and expand its business scale in order to reduce the market competition risk.

Report of the Directors

COMPLIANCE WITH LAWS AND REGULATIONS

The Company has used its best endeavour to ensure compliance with the laws and regulations of those jurisdictions in which the Group operates.

In relation to human resources, the Group provides and maintains statutory benefits for its staff, including but not limited to entitlement to mandatory provident fund, basic medical insurance, work injury insurance, etc. Staff is entitled to day-off on public holidays and maternity leave.

At the corporate level, the Company complies with the requirements under the Listing Rules and the SFO for, among other things, the disclosure of information and corporate governance, and the Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in the Model Code.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 22 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the Reporting Period are set out in the consolidated statement of changes in equity and Note 23 to the consolidated financial statements on pages 42 and 87 respectively of this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company has no reserves available for distribution to Shareholders as at 31 December 2025. Share premium and accumulated losses of the Company were as follows:

	Share premium HK\$'000	Accumulated losses HK\$'000
As at 31 December 2025	321,958	414,343
As at 31 December 2024	321,958	437,309

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group is devoted to maintaining good relationship with its suppliers and supplying quality products and services to our customers. During the Reporting Period, there was no serious and material dispute between the Group and its employees, customers and suppliers.

DONATIONS

Charitable or other donations made by the Group during the Reporting Period was nil (2024: nil).

SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, the Group did not hold any significant investments during the Reporting Period.

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisition or disposal of subsidiaries during the Reporting Period.

BANK BORROWINGS

Details of the bank borrowings of the Group as at 31 December 2025 are set out in Note 27 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the Reporting Period and details of the Group's property, plant and equipment are set out in Note 17 to the consolidated financial statements.

Report of the Directors

EQUITY-LINKED AGREEMENTS

(a) Convertible notes

Details of the convertible notes of the Company are set out in the sub-section headed "Amendments to the terms and conditions of Convertible Notes" of the section headed "Management Discussion and Analysis".

(b) Share Options

Details of the Share Option Schemes of the Company are set out in the sub-section headed "Share Option Schemes" below and Note 24 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Pursuant to article 164(1) of the Articles of Association, subject to relevant laws, every Director shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Company throughout the Reporting Period.

DIRECTORS

The Directors who held office during the Reporting Period and up to the date of this annual report were as follows:

Executive Directors

Mr. Han Jinfeng (*Chairman*) (appointed on 14 October 2025)

Mr. Chen Jinle (*Chief Executive Officer*) (appointed on 14 October 2025)

Ms. Yan Jiehua (appointed on 15 August 2025 and resigned on 14 October 2025)

Mr. Yuan Hongbing (re-designated as a non-executive director on 14 October 2025)

Ms. Bai Jie (re-designated on 19 December 2025)

Non-Executive Directors

Mr. Yuan Hongbing (*Vice-Chairman*) (re-designated on 14 October 2025)

Ms. Cao Yuqi (resigned on 4 August 2025)

Mr. Chen Yunwei (resigned on 17 October 2025)

Independent Non-Executive Directors

Mr. Tche Heng Hou Kevin

Mr. Mak Tin Sang

Ms. Bai Jie (appointed on 8 September 2025 and re-designated as an executive director on 19 December 2025)

Mr. Jiang Hao (resigned on 28 October 2025)

Ms. Li Jing (appointed on 19 December 2025)

In accordance with article 84(1) of the Articles of Association, Mr. Mak Tin Sang, an independent non-executive Director, shall retire from his office by rotation and, being eligible, have offered himself for re-election at the forthcoming annual general meeting of the Company (the "AGM").

In accordance with article 83(3) of the Articles of Association, Mr. Han Jinfeng, an executive Director, Mr. Chen Jinle, an executive Director, Ms. Bai Jie, an executive Director, and Ms. Li Jing, an independent non-executive Director, shall retire from their office and, being eligible, have offered themselves for re-election at the forthcoming AGM.

Ms. Yan Jiehua, Ms. Bai Jie, Mr. Han Jinfeng, Mr. Chen Jinle and Ms. Li Jing have obtained the legal advices under Rule 3.09D of the Listing Rules on 13 August 2025, 22 August 2025, 14 October 2025, 14 October 2025 and 19 December 2025 respectively and all of them have confirmed they understand their obligations as directors of a listed issuer.

None of the Directors offering themselves for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of each Director and chief executive officer in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Directors	Capacity	Number of Shares held/ interested ⁽¹⁾	Total number of shares	Approximate percentage of the total issued Shares
Mr. Chen	Interest of controlled corporations Beneficial owner	892,768,273 23,340,000	916,108,273	20.56%
Yuan Hongbing ("Mr. Yuan")	Beneficial owner	13,796,000	13,796,000	0.31%

Note:

(1) Interests in shares stated above represent long positions.

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2025, according to the register kept by the Company under Section 336 of the SFO, the corporations or persons (other than a Director or chief executive officer) had interests of 5% or more in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares (as at 31 December 2025)
Qilu International Funds SPC (acting for and on behalf of Zhongtai Dingfeng Classified Fund SP) ("Qilu International")	Person having a security interest in shares	2,649,059,881	59.46%
Zhongtai International Asset Management (Singapore) Pte. Ltd. ("Zhongtai Singapore") ⁽²⁾	Investment manager	2,649,059,881	59.46%
Zhongtai International Asset Management Limited ("Zhongtai International") ⁽³⁾	Investment manager	2,649,059,881	59.46%
Win Win International Strategic Investment Funds SPC (acting for and on behalf of Win Win Stable No. 1 Fund SP) ("Win Win") ⁽⁴⁾	Person having a security interest in shares	1,821,053,112	40.88%
Zhongtai Innovation Capital Management Limited ("Zhongtai Innovation") ⁽⁵⁾	Investment manager	1,821,053,112	40.88%
Lin Caihuo ("Mr. Lin") ⁽⁶⁾	Beneficial owner	928,284,839	20.84%

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Name	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares (as at 31 December 2025)
Lin Aihua (" Ms. Lin ") ⁽⁶⁾	Interest of spouse	928,284,839	20.84%
Mr. Chen	Interest of controlled corporations ⁽⁷⁾ Beneficial owner	892,768,273 23,340,000	20.56%
Oriental Gold Honour Joy International Holdings Limited (" Oriental Gold ") ⁽⁷⁾	Beneficial owner	892,768,273	20.04%
Niu Guangchang ⁽⁸⁾	Interest of controlled corporation	742,503,480	16.67%
Hong Kong Moral Co-operation Investment Limited (" Hong Kong Moral ") ⁽⁸⁾	Beneficial owner	742,503,480	16.67%
Cui Xianguo ⁽⁹⁾	Interest of controlled corporation	355,390,000	7.98%
Super Wise International Investment Limited (" Super Wise ") ⁽⁹⁾	Beneficial owner	355,390,000	7.98%

Notes:

- (1) Interests in Shares stated above represent long positions.
- (2) Zhongtai Singapore is the fund manager of Qilu International and therefore by virtue of the SFO, Zhongtai Singapore is deemed or taken to be interested in all the Shares held by Qilu International.
- (3) Zhongtai International is the fund manager of Qilu International and therefore by virtue of the SFO, Zhongtai International is deemed or taken to be interested in all the Shares held by Qilu International.
- (4) The 1,821,053,112 Shares were charged in favour of Win Win.
- (5) Zhongtai Innovation is the fund manager of Win Win and therefore by virtue of the SFO, Zhongtai Innovation is deemed or taken to be interested in all the Shares held by Win Win.
- (6) Ms. Lin is the spouse of Mr. Lin and therefore by virtue of the SFO, Ms. Lin is deemed or taken to be interest in all the Shares held by Mr. Lin.
- (7) Oriental Gold is wholly-owned and controlled by Mr. Chen.
- (8) Hong Kong Moral is wholly-owned and controlled by Mr. Niu Guangchang.
- (9) Super Wise is wholly-owned and controlled by Mr. Cui Xianguo.

Save as disclosed above, as at 31 December 2025, no other person (other than a Director or CEO) had registered an interest or short position in the Shares, underlying Shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period, save and except the New Scheme, was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or other body corporate.

Report of the Directors

SHARE OPTION SCHEMES

Former Scheme

The former share option scheme of the Company expired on 25 June 2015 (the “**Former Scheme**”). The purpose of the Former Scheme was to enable the Company to grant options to selected eligible participants as incentives or rewards for their contributions to the Group. Eligible participants included, *inter alia*, any director or full time or part time employee of the Group. The total number of Shares available for issue under the Former Scheme (taking into account the share subdivisions) was 128,618,224, representing approximately 2.89% of the issued share capital of the Company as at the date of this annual report. The maximum number of Shares in respect of which options may be granted to each participant in any 12-month period up to the date of grant is not permitted to exceed 1% of the Shares in issue at the date of grant. Subject to the restrictions under the Listing Rules, at the time of granting a share option, the Board will determine the minimum period(s), if any, for which an option must be held before it can be exercised. Upon acceptance of the option within 28 days from the date of the offer (or such other period as the Board may specify in the offer), the grantee shall pay the amount, if any, specified in the offer to the Company as consideration for the grant within such period as the Company shall specify. The subscription price for the Shares under the Former Scheme shall be determined by the Board and shall not be less than the highest of: (i) the closing price of the Shares as stated in Stock Exchange's daily quotations sheet on the date of offer of that grant, which must be a business day; (ii) the average of the closing prices per Share as stated in Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer of that option; and (iii) the nominal value of the Shares.

New Scheme

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company on 16 September 2019, a new share option scheme of the Company (the “**New Scheme**”, together with the Former Scheme, the “**Share Option Schemes**”) was adopted by the Company accordingly, which will remain valid for 10 years and will expire on 15 September 2029. The Company operates the New Scheme for the purpose of providing incentives or rewards to selected eligible participants who contribute to the success of the Group's operations. Subject to the restrictions under the Listing Rules, selected eligible participants of the New Scheme include directors, employees of the Company or any of its subsidiaries and any officers or consultants who will provide or have provided services to the Group.

An option may be exercised in accordance with the terms of the New Scheme at any time during the period to be notified by the Board to each participant, which shall not exceed 10 years from the date upon which the option is deemed to be granted and accepted. According to the Listing Rules, the vesting period for options shall not be less than 12 months.

The total number of the Shares issued and to be issued upon exercise of the options granted to a participant under the New Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue from time to time.

Upon acceptance of the options, the participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The options will be offered for acceptance for a period of 28 days from the date on which the option is offered to a participant.

The subscription price for the Shares subject to options will be a price determined by the Board and notified to each participant and will be at least the highest of (i) the closing price of the Shares on the Main Board as stated in the Stock Exchange's daily quotations sheet on the date of grant of the options, which must be a business day; (ii) the average closing price of the Shares on the Main Board as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

The total number of outstanding options granted under the Share Option Schemes as at 31 December 2025 was 683,500,000 shares, representing approximately 15.34% of issued share capital of the Company as at the date of this annual report. For details, please refer to the circular of the Company dated 28 August 2019 and 27 April 2020 and the announcement of the Company dated 25 September 2019, 29 May 2020, 19 June 2020 and 20 May 2021.

As at 1 January 2025 and 31 December 2025, no option is available for grant under the Former Scheme and the number of options available for grant under the New Scheme was 50,251,740.

The number of shares that may be issued in respect of all share options granted under the Share Option Schemes during the Reporting Period represented nil% of the weighted average number of shares in issue for the same period.

Save for the Share Option Schemes, the Company does not have any other share scheme.

Report of the Directors

SHARE OPTION SCHEME (Continued)

Details of the share options granted, exercised, forfeited, lapsed and outstanding under the Share Option Schemes during the Reporting Period are as follows:

Name or category of participants	Date of grant (dd/mm/yyyy)	Exercise price after (before)	Vesting date (dd/mm/yyyy)	Exercise period (dd/mm/yyyy)	Number of share options					
		share subdivision			As at 01/01/2025	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period	As at 31/12/2025 ⁽²⁾
		in 2018 HK\$								
DIRECTOR										
Mr. Yuan Hongbing ("Mr. Yuan")	19/6/2020	0.145	19/6/2020	19/6/2020–18/6/2026	37,000,000	–	–	–	–	37,000,000
					37,000,000	–	–	–	–	37,000,000
OTHER PARTICIPANTS										
Eligible employees ⁽¹⁾	19/6/2015	0.64125 (1.2825)	19/6/2015	19/6/2015–18/6/2025	123,200,000	–	–	–	(123,200,000)	–
Eligible employees ⁽¹⁾	24/9/2019	0.15	24/9/2019	24/9/2019–23/9/2029	362,500,000	–	–	–	–	362,500,000
Eligible employees ⁽¹⁾	19/6/2020	0.145	19/6/2020	19/6/2020–18/6/2026	159,000,000	–	–	–	–	159,000,000
Eligible employees ⁽¹⁾	20/5/2021	0.15	20/5/2021	20/5/2021–19/5/2027	125,000,000	–	–	–	–	125,000,000
					769,700,000	–	–	–	(123,200,000)	646,500,000 ⁽³⁾
				Total	806,700,000	–	–	–	(123,200,000)	683,500,000

Notes:

- Eligible employees are working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).
- The share options are not subject to any performance target.
- The number of shares of the Company that may be issued in respect of the Share Options granted represents approximately 15.34% of the weighted average number of shares of the Company in issue for the year ended 31 December 2025 (i.e. 4,455,020,888 shares).

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

Save as disclosed in the paragraph headed “Connected Transactions”, there were no other transactions, arrangements or contracts that are significant in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or his/her connected entity or a controlling shareholder of the Company or its subsidiaries had a material interest, whether directly or indirectly, subsisted at any time during the Reporting Period.

Report of the Directors

MANAGEMENT CONTRACTS

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

RELATED PARTY TRANSACTIONS

Save as disclosed in the paragraph headed “Connected Transactions”, the significant related party transactions that did not constitute connected transactions under the Listing Rules made during the Reporting Period were disclosed in Note 36 to the consolidated financial statements.

UPDATE ON THE DIRECTOR INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B of the Listing Rules, the changes of information of the Directors during the Reporting Period are set out below:

Ms. Cao Yuqi (“**Ms. Cao**”) has been appointed as a member of the Nomination Committee with effect from 25 June 2025. Further details were disclosed in the Company’s announcement dated 25 June 2025.

Ms. Cao has resigned as a non-executive Director and a member of the Nomination Committee with effect from 4 August 2025. Further details were disclosed in the Company’s announcement dated 4 August 2025.

Ms. Yan has been appointed as an executive Director, the chief executive officer of the Company and a member of the Nomination Committee with effect from 15 August 2025. Further details were disclosed in the Company’s announcements dated 15 August 2025 and 20 August 2025.

Mr. Yuan has resigned as the chief executive officer of the Company with effect from 15 August 2025. Further details were disclosed in the Company’s announcement dated 15 August 2025.

Ms. Bai has been appointed as an independent non-executive Director and a member of the Remuneration Committee with effect from 8 September 2025. Further details were disclosed in the Company’s announcement dated 8 September 2025.

Ms. Yan has resigned as an executive Director, the chief executive officer of the Company and a member of the Nomination Committee with effect from 14 October 2025. Further details were disclosed in the Company’s announcement dated 14 October 2025.

Mr. Yuan has (i) resigned as the chairman of the Board and the chairman of the Nomination Committee; (ii) been re-designated as a non-executive Director; and (iii) been appointed as vice-chairman of the Board with effect from 14 October 2025. Further details were disclosed in the Company’s announcement dated 14 October 2025.

Mr. Han has been appointed as an executive Director, the chairman of the Board and the chairman of the Nomination Committee with effect from 14 October 2025. Further details were disclosed in the Company’s announcement dated 14 October 2025.

Mr. Chen has been appointed as an executive Director, the chief executive officer of the Company and a member of the Remuneration Committee with effect from 14 October 2025. Further details were disclosed in the Company’s announcement dated 14 October 2025.

Ms. Bai has been appointed a member of the Nomination Committee with effect from 14 October 2025. Further details were disclosed in the Company’s announcement dated 14 October 2025.

Ms. Chen Yunwei has resigned as a non-executive Director with effect from 17 October 2025. Further details were disclosed in the Company’s announcement dated 17 October 2025.

Report of the Directors

UPDATE ON THE DIRECTOR INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES *(Continued)*

Mr. Jiang Hao has resigned as an independent non-executive Director, and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 28 October 2025. Further details were disclosed in the Company's announcement dated 28 October 2025.

Ms. Bai has been appointed as a member of the Audit Committee with effect from 28 October 2025. Further details were disclosed in the Company's announcement dated 28 October 2025.

Ms. Li Jing has been appointed as an independent non-executive Director, and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 19 December 2025. Further details were disclosed in the Company's announcement dated 19 December 2025.

Ms. Bai has been re-designated as an executive Director and has ceased to be a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 19 December 2025. Further details were disclosed in the Company's announcement dated 19 December 2025.

Save as disclosed above, the Company is not aware of any other information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

BIOGRAPHIES OF DIRECTORS

The details of the biographies of the existing Directors are set out in the section headed "Biographical Details of Directors" on pages 21 to 22 of this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors, namely, Mr. Tche Heng Hou Kevin, Mr. Mak Tin Sang and Ms. Li Jing, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and as at the date of this annual report, the Company considers each of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION POLICY

The remuneration policy of the Group is formulated by the Remuneration Committee on the basis of market trends and the individuals' merit, qualifications and competence.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, made recommendations to the Board for the remuneration of the executive Directors and senior management of the Company.

The Company has adopted the New Scheme as an incentive to Directors and eligible employees, details of which are set out in Note 24 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

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

Report of the Directors

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association although there is no restriction against such rights under the laws in the Cayman Islands.

CONNECTED TRANSACTIONS

Drilling services

On 10 August 2021, the Group and Beijing Huaye entered the Huian Well Agreement. Pursuant to the Huian Well Agreement, the Group agreed to provide drilling services of an aggregate of 63 oil wells for Beijing Huaye for the purpose of extraction of oil at an aggregate consideration of approximately RMB748 million.

Mr. Han, an executive Director and the chairman of the Company, was a majority ultimate beneficial shareholder of Beijing Huaye (holding 64% effective interest thereof). Therefore, the Huian Well Agreement constituted a connected transaction of the Company. Mr. Han is a cousin of Mr. Chen, an executive Director, the chief executive officer and the substantial shareholder of the Company, the Huian Well Agreement constituted a connected transaction of the Company.

As at the date of this annual report, as certain conditions precedent have not yet been fulfilled, the Huian Well Agreement has not been performed yet.

For further details regarding the Huian Well Agreement, please refer to the announcements of the Company dated 10 August 2021 and 19 August 2021.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, sales to the Group's five largest customers accounted for approximately 96% of the Group's sales for the Reporting Period and sales to the Group's largest customer included therein accounted for approximately 32%.

During the Reporting Period, purchase from the Group's five largest suppliers accounted for approximately 88% of the Group's total purchases for the Year and purchase from the Group's largest supplier included therein accounted for approximately 57%.

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

EVENTS AFTER THE REPORTING PERIOD

The Company was not able to publish its annual results announcement for the year ended 31 December 2025 by 31 March 2026 as the Company and the auditors required additional time to complete the audit process. The trading of the Shares has been suspended during the period between 1 April 2026 and 9 June 2026. Trading of the Shares was resumed on 10 June 2026. For details, please refer to the announcements of the Company dated 26 March 2026, 1 April 2026, 30 April 2026, 28 May 2026 and 9 June 2026.

On 19 May 2026, the Company entered into the Fourth Supplemental Deed. For further details, please refer to the announcements of the Company dated 19 May 2026 and 17 June 2026. The Fourth Supplemental Deed is subject to certain conditions to be fulfilled by the contracting parties, including the approval by the Shareholders at extraordinary general meeting.

Save as disclosed in this annual report, there was no significant event occurred subsequent to the end of the Reporting Period and up to the date of this annual report.

Report of the Directors

PUBLIC FLOAT

During the Reporting Period and up to the latest practicable date prior to the issue of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

As at 31 December 2025, the total number of issued Shares was 4,455,020,888 Shares. Lin Caihuo, Oriental Gold Honour Joy International Holdings Limited (a company wholly-owned by Chen Jinle) and Hong Kong Moral Co-operation Investment Limited (a company wholly-owned by Niu Guangchang) held 928,284,839 Shares, 892,768,273 Shares and 742,503,480 Shares, representing approximately 20.84%, 20.04% and 16.67% of the entire issued share capital of the Company respectively. The remaining 1,891,464,296 issued Shares were held by the public, representing approximately 42.46% of the entire issued share capital of the Company.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. If Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last five financial years is set out on page 102.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Friday, 7 August 2026. For further details of the AGM, please refer to the circular and the notice of the AGM, which will be published on the websites of the Stock Exchange and the Company and (if requested) despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from Monday, 3 August 2026 to Friday, 7 August 2026 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the forthcoming annual general meeting of the Company scheduled to be held on Friday, 7 August 2026, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 31 July 2026.

AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2025 have been audited by AOGB CPA Limited. AOGB CPA Limited will retire, and being eligible, offer themselves for reappointment at the AGM. A resolution for its reappointment as auditor of the Company will be proposed at the AGM.

On 25 November 2021, Cheng & Cheng Limited, Certified Public Accountants, resigned as the auditor of the Company.

On 29 December 2021, CCTH CPA Limited, Certified Public Accountants, was appointed as auditor of the Company. On 23 November 2023, CCTH CPA Limited resigned as the auditor of the Company.

On 28 November 2023, AOGB CPA Limited, Certified Public Accountants, was appointed as the Auditor of the Company.

On behalf of the Board

Han Jinfeng
Chairman

Hong Kong, 9 June 2026

Independent Auditor's Report



To the Shareholders of Jintai Energy Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Jintai Energy Holdings Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 38 to 101, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 disclosure requirements of the Hong Kong 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.

AOGB CPA Limited, Suite 2501-03, Tesbury Centre, 28 Queen's Road East, Admiralty, Hong Kong
Tel: 2152-2238, Website: www.aogb.com

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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Revenue for trading of energy-related products – principal versus agent

The accounting policy for revenue recognition for trading of energy-related products is disclosed in Note 3.18 to the consolidated financial statements. For the year ended 31 December 2025, the revenue generated from trading of energy-related products amounted to approximately HK\$1,138,284,000 as set out in Note 6 to the consolidated financial statements.

We identified this area as a key audit matter due to the significant judgement involved in the assessment of managements' determination of principal or agent for the purpose of revenue recognition of the energy trading transactions. The Group recognises revenue on a gross basis as a principal, since:

- The Group is responsible for fulfilling the terms of sales and purchase agreements and dealing with any disputes relating to the sales and purchase transactions, separately;
- Goods were shipped from suppliers to an agreed destination where customers could pick up directly. For trading of energy-related products, the control of the goods were transferred from suppliers to the Group and then to customers, when the goods are accepted by the Group and customers at the pick up place, respectively;
- The Group is primarily responsible for the acceptability of the specified good (e.g. customer's rejection to accept the goods) and shall be obliged to rectify warranty or service issues associated with the goods sold to the customers (e.g. handling of complaints and returns) irrespective of the Group's ability to shift such warranty or return the goods to the supplier;
- The transaction prices were determined separately based on negotiations with customers and suppliers.

Our procedures in relation to the revenue recognition for trading of energy-related products included:

- Obtained an understanding of the Group's key controls in sales and purchase processes relating to trading of energy-related products;
- Evaluated the revenue recognition for principal versus agent assessment relating to the trading of energy-related products, including management's approval and review of sales and purchase contracts and other supporting documentation;
- Inspected contracts with customers, on a sample basis, to understand the terms of the sales transactions including the terms of delivery and acceptance to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards, including the principal versus agent assessment for trading of energy-related products;
- Tested the selected samples of trading of energy-related products by examination of the invoices and goods delivery notes to the sales recorded;
- Compared the delivery dates based on delivery notes with the timing of revenue recognition, and examined transactions which occurred immediately before and after the end of the reporting period for their recording as revenue in the proper periods; and
- Examined the settlements of the receivables from customers to bank-in receipts, bank statements and other related documents.

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

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

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

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

Those charged with governance assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with HKSAAs, 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 activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Shing.

AOGB CPA Limited

Certified Public Accountants

Ho Chun Shing

Practicing Certificate Number: P07257

Hong Kong, 9 June 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	1,389,219	1,275,339
Cost of sales	8	(1,369,890)	(1,255,383)
Gross profit		19,329	19,956
Other income	10	6,953	5,549
Other gains/(losses) – net	11	8,727	(4,533)
Write-off on other receivables	20	–	(200)
Administrative expenses	8	(24,312)	(25,993)
Distribution expenses	8	(3,350)	(4,456)
Provision for expected credit loss allowance for financial assets	20	(1,562)	–
Impairment loss on prepayments	20	(620)	–
Operating profit/(loss)		5,165	(9,677)
Finance income	12	279	533
Finance costs	12	(18,074)	(11,015)
Finance costs – net		(17,795)	(10,482)
Loss before income tax		(12,630)	(20,159)
Income tax expense	13	(1,471)	(1,703)
Loss for the year		(14,101)	(21,862)
Loss for the year attributable to:			
Owners of the Company		(19,337)	(22,602)
Non-controlling interests	16	5,236	740
		(14,101)	(21,862)
Loss per share	15	HK cents	HK cents
– Basic		(0.43)	(0.51)
– Diluted		N/A	N/A

The notes on pages 44 to 101 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Loss for the year	(14,101)	(21,862)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
– Currency translation differences	2,245	(2,432)
	2,245	(2,432)
Total comprehensive loss for the year	(11,856)	(24,294)
Total comprehensive loss for the year attributable to:		
Owners of the Company	(17,463)	(24,879)
Non-controlling interests	5,607	585
	(11,856)	(24,294)

The notes on pages 44 to 101 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Assets			
Non-current assets			
Property, plant and equipment	17	525	345
Right-of-use assets	18	1,588	2,896
		2,113	3,241
Current assets			
Inventories	19	–	2,080
Trade and other receivables and prepayments	20	330,703	293,641
Cash and cash equivalents	21	33,058	25,236
		363,761	320,957
Total assets		365,874	324,198
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	22	5,569	5,569
Other reserves	23	370,148	401,169
Accumulated losses		(333,304)	(346,862)
		42,413	59,876
Non-controlling interests	16	11,126	7,136
Total equity		53,539	67,012

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Liabilities			
Non-current liabilities			
Long service payment obligation		98	93
Lease liabilities	30	497	1,654
Deferred tax liabilities	32	–	24
		595	1,771
Current liabilities			
Trade and other payables	25	58,458	21,180
Current income tax liabilities		733	767
Amounts due to directors	26	32,743	25,390
Amounts due to related parties	26	10,695	8,295
Amounts due to non-controlling shareholders of subsidiaries	26	567	574
Borrowings	27	17,814	16,644
Other borrowing	28	163,605	–
Derivative financial liabilities	29	–	103
Convertible loan notes	29	–	146,829
Lease liabilities	30	1,168	1,267
Contract liabilities	31	25,957	34,366
		311,740	255,415
Total liabilities		312,335	257,186
Net current assets		52,021	65,542
Total assets less current liabilities		54,134	68,783
Net assets		53,539	67,012

The notes on pages 44 to 101 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 38 to 101 were approved by the Directors on 9 June 2026 and are signed on its behalf by:

Han Jinfeng
Director

Chen Jinle
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Notes	Attributable to owners of the Company				Non-controlling interests	Total
		Share capital HK\$'000	Other reserves HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024		5,569	403,971	(324,785)	84,755	1,039	85,794
Loss for the year		–	–	(22,602)	(22,602)	740	(21,862)
Other comprehensive loss							
– Currency translation differences	23	–	(2,277)	–	(2,277)	(155)	(2,432)
Total comprehensive loss for the year		–	(2,277)	(22,602)	(24,879)	585	(24,294)
Capital injection by non-controlling interests		–	–	–	–	5,316	5,316
Acquisition of subsidiaries		–	–	–	–	211	211
Deregistration of subsidiaries		–	(525)	525	–	(15)	(15)
Balance at 31 December 2024 and 1 January 2025		5,569	401,169	(346,862)	59,876	7,136	67,012
Loss for the year		–	–	(19,337)	(19,337)	5,236	(14,101)
Other comprehensive income							
– Currency translation differences	23	–	1,874	–	1,874	371	2,245
Total comprehensive loss for the year		–	1,874	(19,337)	(17,463)	5,607	(11,856)
Share option lapsed	23, 24	–	(32,895)	32,895	–	–	–
Dividends paid to non-controlling shareholders of subsidiaries		–	–	–	–	(1,617)	(1,617)
Balance at 31 December 2025		5,569	370,148	(333,304)	42,413	11,126	53,539

Details regarding the other reserves are set out in Note 23.

The notes on pages 44 to 101 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Cash generated from operations	33(a)	2,472	9,170
Interest received		279	533
Income tax paid		(1,529)	(1,674)
Net cash generated from operating activities		1,222	8,029
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2	483
Purchases of property, plant and equipment		(363)	(72)
Net cash inflow arising from acquisition of subsidiaries		–	178
Net cash (used in)/generated from investing activities		(361)	589
Cash flows from financing activities			
Advance from related parties	33(b)	1,951	3,573
Advance from a director	33(b)	6,709	25,007
Repayments to a director	33(b)	(40)	(162)
(Repayment)/advance from non-controlling shareholders of subsidiaries	33(b)	(24)	570
Distribution made to non-controlling shareholders of subsidiaries upon deregistration of subsidiaries		–	(15)
Capital injection from non-controlling shareholders of subsidiaries		–	5,316
Dividend paid to non-controlling shareholders of subsidiaries		(1,617)	–
Repayment of bond payables	33(b)	–	(29,774)
Repayment of principal of lease liabilities	33(b)	(1,346)	(1,900)
Interest paid on leases liabilities	33(b)	(128)	(113)
Net cash generated from financing activities		5,505	2,502
Net increase in cash and cash equivalents		6,366	11,120
Cash and cash equivalents at the beginning of the year	21	25,236	25,230
Effect of foreign exchange rate changes		1,456	(11,114)
Cash and cash equivalents at the end of the year	21	33,058	25,236

The notes on pages 44 to 101 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Jintai Energy Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The directors consider the Company’s immediate and ultimate holding company to be Oriental Gold Honour Joy International Holdings Limited (the “**Oriental Gold**”), a company incorporated in the British Virgin Islands (the “**BVI**”).

The address of the registered office of the Company is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the address of the Company’s principal place of business is Suite 2601–2603, 26/F, Shui On Centre, 6–8 Harbour Road, Wan Chai, Hong Kong.

The Company and its subsidiaries (together, the “**Group**”) are engaged in energy business which comprises mainly the trading of energy-related products, operation of digital trading parks and trading of other products. The Group has operations mainly in the People’s Republic of China (the “**PRC**” or “**China**”).

The Company’s functional currency is Renminbi (“**RMB**”). The consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) as the directors are of the view that HK\$ is appropriate presentation currency for the users of the Group’s consolidated financial statements given that the shares of the Company are listed on the Stock Exchange.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (“**HKFRS ACCOUNTING STANDARDS**”)

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied for the first time the Amendments to HKAS 21 “Lack of Exchangeability” which are effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025.

The amendments to HKAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group’s consolidated financial statements.

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

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

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures and related amendments ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

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 No mandatory effective date yet determined but available for adoption

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

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

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

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely **“operating profits”** and **“profits before financing and income tax”**), and classifying items into five newly defined categories (namely **“operating”**, **“investing”**, **“financing”**, **“income tax”** and **“discontinued operation”**), depending on the reporting entity’s main business activities, in the statement of profit or loss;
- Disclosure of management-defined performance measures (**“MPMs”**) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the related amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are currently working to identify all the impacts of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The major changes in amendments to HKFRS 9 and HKFRS 7 are summarised as follows:

- clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarified and added further guidance for assessing whether a financial asset meets the solely payments of principal and interest (**“SPPI”**) criterion;
- added new disclosures for certain instruments with contractual terms that can change cash flows (e.g. some financial instruments with features linked to the achievement of environment, social and governance targets); and
- updated the disclosures for equity instruments designated at fair value through other comprehensive income (**“FVOCI”**).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively with an adjustment to opening retained earnings. The amendments that relate to the classification of financial assets as well as the related disclosures can be early adopted and the other amendments can be applied later. The directors of the Group expect that the amendments have no material impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

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

Annual Improvements to HKFRS Accounting Standards – Volume 11

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

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

Hong Kong Interpretation 5 (Revised), Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause

This interpretation specifies that the classification of a term loan as a current or non-current liability in accordance with paragraph 69(d) of HKAS 1 shall be determined by reference to the existence of the borrower's right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

On this basis, a loan subject to loan agreement which includes a clause that gives the lender the unconditional right to require repayment of the loan from the borrower at any time shall be classified by the borrower as current in its statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the Hong Kong Companies Ordinance.

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

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value.

Material accounting policy information

3.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.2 Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

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 owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and 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 and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards).

3.3 Business combinations

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

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**").

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.4 Contract liabilities

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

3.5 Separate financial statements

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

3.6 Segment reporting

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

3.7 Foreign currency translation

(a) Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the **'functional currency'**).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in statement of profit or loss within 'Other gains/(losses) – net', unless they are related to borrowings which are presented in 'finance costs'.

(c) Group companies

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

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

On the disposal of the foreign operation involving loss of control over subsidiaries, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.8 Property, plant and equipment

Property, plant and equipment including plant and machinery, furniture, fixtures and office equipment, leasehold improvements and motor vehicles is stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant and machinery	5–10 years
Furniture, fixtures and office equipment	3–5 years
Leasehold improvements	Shorter of 5 years or remaining lease term
Motor vehicles	4 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/(losses) – net' in the consolidated statement of profit or loss.

3.9 Impairment of non-financial assets excluding goodwill

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels (cash-generating units) for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.10 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.10 Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

The Group's financial assets at amortised cost includes trade and other receivables (Note 20) and cash and cash equivalents (Note 21).

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under HKFRS 9 apply.

Financial assets at FVOCI – recycling

If the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL allowance, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Offsetting financial instruments

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

Impairment of financial assets

The Group performed impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these debtors with high credit risk are assessed individually and the remaining is assessed using a provision matrix with appropriate groupings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.10 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

(i) Significant increase in credit risk

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

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

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

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt 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 fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.10 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.10 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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

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

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including borrowings, trade and other payables, amounts due to directors, related parties and non-controlling shareholders of subsidiaries and convertible loan notes are subsequently measured at amortised cost, using the effective interest method.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.10 Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost (Continued)

Convertible loan notes contain debt and derivative components

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

At the date of issue, both the liability component and derivative component are recognised at fair value. In subsequent periods the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the debt portion and amortised over the period of the convertible loan notes using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss, except for transaction with owners of the Company in their capacity as owners of the Company.

When the contractual terms of convertible loan notes are modified, extending the tenure and changing in conversion price of the convertible loan notes, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

3.11 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Share capital

Ordinary shares are classified as equity (Note 22).

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

3.13 Borrowings

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

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs; except for transaction with owners of the Company in their capacity as owners of the Company.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.14 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

3.15 Taxation

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

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

(b) Deferred income tax

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.16 Employee benefits

The Group participates in defined contribution retirement schemes administered by local governments in different cities of the PRC (the “**Central Schemes**”). The Group and the employees are required to make cash contributions calculated at certain percentages of the employees’ basic salaries to the Central Schemes. The assets of the schemes are held separately from those of the Group in independently administered funds.

The Group also operates the mandatory provident fund scheme (the “**MPF Scheme**”) for its Hong Kong staff. The MPF Scheme is a defined contribution retirement benefit scheme administered by independent trustees. Contributions from the employer are vested in the employees as soon as they are paid to relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to a few exceptions. The assets of the schemes are held separately from those of the Group in independently administered funds.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For the LSP under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group’s defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan’s benefit formula. However, if an employee’s service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

- (a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until
- (b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

3.17 Share-based payments

Share options granted to employees

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity (share option reserve). The total amount to be expensed is determined by reference to the fair value of the options granted. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit or loss, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, together with the related amount included in share option reserve are credited to share capital and share premium account accordingly. Where the share options are lapsed 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.17 Share-based payments (Continued)

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

3.18 Revenue recognition

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

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

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

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

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

Output method

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

Principal versus agent

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.18 Revenue recognition (Continued)

Revenue from contracts with customers

(a) Trading of energy-related products and other products

Revenue is recognised at a point in time when the control over the products is transferred after the Group has delivered the products sold to the location as specified in the contract and the customer has accepted the products.

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

Revenue is measured at the amount receivable under the sales contract.

(b) Service fee for operation of digital energy trading parks

Revenue from provision of accounting and administrative services is recognised in the accounting period in which the services are rendered. Revenue is recognised over time when the Group transfers control of the services over time, because the customer receives and consumes the benefits simultaneously.

3.19 Provisions and contingent liabilities

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

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

3.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

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

Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.21 Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, 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.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Material accounting policy information (Continued)

3.21 Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Material accounting policy information *(Continued)*

3.22 Inventories

Trading goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts (if any). Costs of energy-related products are assigned to individual items of inventory based on first-in, first-out ("**FIFO**") method, while cost of other trading products are assigned by using weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.23 Related parties

A related party is a person or entity that is related to the Group that is preparing its consolidated financial statements as follows:

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

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. FINANCIAL INSTRUMENTS

4.1 Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets at amortised cost		
Trade and other receivables and prepayments (excluding value-added tax receivables)	59,202	81,079
Cash and cash equivalents	33,058	25,236
	92,260	106,315
Financial liabilities at amortised cost		
Trade and other payables (excluding accrued expenses, other tax payables and accrued salaries)	44,729	9,827
Amounts due to directors	32,743	25,390
Amounts due to related parties	10,695	8,295
Amounts due to non-controlling shareholders of subsidiaries	567	574
Borrowings	17,814	16,644
Other borrowing	163,605	–
Lease liabilities	1,665	2,921
Convertible loan notes	–	146,829
	271,818	210,480
Financial liability at fair value		
Derivative financial liabilities	–	103
	271,818	210,583

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. FINANCIAL INSTRUMENTS (Continued)

4.2 Financial risk management objectives and policies

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

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and is exposed to foreign currency risk arising from fluctuation in RMB. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. There is an insignificant material foreign exchange risk noted for the Group as the transactions of the Company are mainly denominated in RMB, which is the functional currency of the Company, and the operations and customers of the Group's subsidiaries are located in the PRC with most of the operating assets and transactions denominated and settled in RMB, which are the functional currencies of the Group's subsidiaries.

(ii) Interest rate risk

Except for cash at bank (Note 21), the Group has no other significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank deposits are not expected to change significantly.

The Group's interest rate risk mainly arises from bond payables and debt component of convertible loan notes. Interest on bond payables, other borrowing and debt component of convertible loan notes are charged at fixed rates which expose the Group to fair value interest rate risk. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

The Group is also exposed to cash flow interest rate risk in relation to bank balances with variable interest rates and bank borrowings with variable interest rates. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong prime rate arising from the Group's Hong Kong dollars denominated borrowings.

Sensitivity analysis

At 31 December 2025, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variable held constant, would decrease/increase the Group's loss after tax by approximately HK\$114,000 (2024: decrease/increase loss after tax by approximately HK\$64,000). The above sensitivity analysis has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the next financial year.

(b) Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The Group is exposed to concentration of credit risk as a substantial portion of its trade receivables is generated from a limited number of customers. The top one (2024: one) trade receivables of the Group accounted for about 100% (2024: 100%) of the Group's trade receivables as at 31 December 2025, of which an aggregate carrying amount of approximately HK\$55,720,000 are past due (2024: HK\$78,551,000 are not past due) at the end of reporting period.

In order to minimise the credit risk, the Group manages its credit risk by closely monitoring the granting of credit period and credit limit and follow-up action is taken to recover overdue debts. The Group reviews the recoverable amount of each individual trade receivable on an aging basis throughout each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. FINANCIAL INSTRUMENTS (Continued)

4.2 Financial risk management objectives and policies (Continued)

(b) Credit risk (Continued)

The Group applies the simplified approach to provide for expected credit losses ("ECL") prescribed by HKFRS 9 *Financial Instruments*, which permits the use of the lifetime ECL provision for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL. It considers available reasonable and supportive forward-looking information.

Trade receivables that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience.

Majority of the Group's revenue is received from individual customers in relation to trading of energy-related products. The Group's trade receivables arise from sales to the customers of this business. As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation. The following table provides information about the exposure to credit risk for trade receivables which are assessed individually within lifetime ECL (not credit-impaired).

	Expected loss rate %	2025 Gross carrying amount HK\$'000	ECL allowance HK\$'000	Expected loss rate %	2024 Gross carrying amount HK\$'000	ECL allowance HK\$'000
Not past due	–	–	–	–	78,551	–
Overdue within 30 days	2.02	55,720	(1,131)	–	–	–
		55,720	(1,131)		78,551	–

An impairment analysis is performed at each reporting date on each debtor to measure ECL individually. The expected loss rate reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. Up to the date of approval of the consolidated financial statements, the outstanding balance of trade receivables at 31 December 2025 amounted to approximately HK\$55,720,000 was fully settled by the customers subsequent to 31 December 2025.

During the year ended 31 December 2025, the Group provided ECL allowance approximately HK\$1,131,000 (2024: HK\$Nil) for trade receivables based on the provision matrix.

Movements in the provision for ECL of trade receivables are as follows:

	2025 Lifetime ECL (not credit- impaired) HK\$'000	2024 Lifetime ECL (not credit- impaired) HK\$'000
At 1 January	–	–
Provision of ECL allowance	1,131	–
At 31 December	1,131	–

The credit quality of other receivables excluding prepayments has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. FINANCIAL INSTRUMENTS (Continued)

4.2 Financial risk management objectives and policies (Continued)

(b) Credit risk (Continued)

Based on the management determined the ECL by applying a 12-month ECL model, using an ECL rate of 8.56% (2024: nil), after incorporating forward-looking information. Accordingly, an ECL allowance of approximately HK\$431,000 (2024: HK\$Nil) has been recognised as at 31 December 2025. An amount of approximately HK\$200,000 was written off during the year ended 31 December 2024 (2025: nil).

The credit risk on cash and cash equivalents is low because the counterparties are banks with high credit-ratings and reputable banks in Hong Kong and the PRC.

(c) Liquidity risk

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

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

Non-derivative financial liabilities	Within 1 year or on demand HK\$'000	After 1 year but within 2 years HK\$'000	After 2 years but within 5 years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
At 31 December 2025					
Trade and other payables (excluding non-financial liabilities)	44,729	–	–	44,729	44,729
Amount due to directors	32,743	–	–	32,743	32,743
Amounts due to related parties	10,695	–	–	10,695	10,695
Amounts due to non-controlling shareholders of subsidiaries	567	–	–	567	567
Borrowings	17,814	–	–	17,814	17,814
Other borrowing	163,605	–	–	163,605	163,605
Lease liabilities	1,227	505	–	1,732	1,665

Non-derivative financial liabilities	Within 1 year or on demand HK\$'000	After 1 year but within 2 years HK\$'000	After 2 years but within 5 years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
At 31 December 2024					
Trade and other payables (excluding non-financial liabilities)	9,827	–	–	9,827	9,827
Amount due to a director	25,390	–	–	25,390	25,390
Amounts due to related parties	8,295	–	–	8,295	8,295
Amounts due to non-controlling shareholders of subsidiaries	574	–	–	574	574
Borrowings	16,644	–	–	16,644	16,644
Convertible loan notes	152,908	–	–	152,908	146,829
Lease liabilities	1,394	1,216	505	3,115	2,921

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. FINANCIAL INSTRUMENTS (Continued)

4.3 Fair value estimation

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

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

Financial assets and liabilities

Except for the derivative financial liabilities as set out below, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

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

Financial liabilities	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	2025 HK\$'000	2024 HK\$'000		
Derivative financial liabilities	–	103	Level 3	Binomial tree pricing model with significant unobservable inputs detailed in Note 29.

There were no transfers between levels 1, 2 and 3 during the year.

An increase in the discount for lack of marketability would decrease the fair value. As at 31 December 2024, it is estimated that with all other variables held constant, an increase (a decrease) in discount of lack of marketability by 5% would decrease (increase) the Group's other comprehensive income by HK\$5,000.

The reconciliation of the carrying amounts of the Group's financial instruments classified within Level 3 of the fair value hierarchy is as follows:

	2025 HK\$'000	2024 HK\$'000
Fair value at 1 January	103	1,537
Fair value gain recognised in profit or loss	(105)	(1,434)
Currency translation difference	2	–
Fair value at 31 December	–	103

4.4 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. In addition, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debts. The Group's overall strategy remains unchanged from that of the prior year.

The capital structure of the Group consists of debt and equity attributable to the owners of the Company, comprising issued share capital, share premium, reserves and accumulated losses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

(a) *Principal versus agent consideration*

The Group engages in general trading of which involved trading of energy-related products. The Group assessed whether the Group should recognise revenue on a gross or net basis based on the requirements in HKFRS 15 *Revenue from Contracts with Customers*, i.e. principal versus agent assessment. The Group follows the accounting guidance for principal - agent considerations to assess whether the Group controls the specified goods before it is transferred to customer, the indicators of which include but not limited to (a) whether the Group is primarily responsible for fulfilling the promise to provide the specified goods; (b) whether the Group has inventory risk before the specified goods has been transferred to a customer; and (c) whether the Group has discretion in establishing the prices for the specified goods. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative and applies judgment when assessing the indicators depending on each different circumstance.

Key sources of estimation uncertainty

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

(a) *Provision of ECL for trade receivables*

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9 *Financial Instruments*, which permits the use of the lifetime expected losses for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics. Future cash flows for each group of receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward-looking information. Management has closely monitored the credit qualities and the collectability of the trade receivables. Trade receivables in financial difficulties are assessed individually for impairment to determine whether specific loss allowance provisions are required.

For the year ended 31 December 2025, the Group assessed the credit risk for trade receivables based on provision matrix within lifetime ECL (not credit-impaired), and provision of ECL allowance approximately HK\$1,131,000 (2024: HK\$Nil) was recognised.

The information about provision of ECL for the Group's trade receivables are disclosed in Notes 4.2(b) and 20.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

(b) Current tax and deferred tax

The Group is subject to income taxes in the PRC and in Hong Kong. Significant judgement is required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and provisions in the period in which such determination is made.

Deferred income tax assets and liabilities are determined using tax rates that are expected to apply when the related deferred income tax assets are realised or the deferred income tax liabilities are settled. The expected applicable tax rate is determined based on the enacted tax laws and regulations and the actual situation of the Group. Management of the Group will revise the expectation where the applicable tax rate is expected to be different from the original expectation.

6. REVENUE

An analysis of the Group's revenue from contracts with customers for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised at point in time:		
Trading of energy-related products	1,138,284	1,198,999
Trading of other products	235,909	57,444
	1,374,193	1,256,443
Revenue recognised overtime:		
Operation of digital energy trading parks	15,026	18,896
	1,389,219	1,275,339

7. SEGMENT INFORMATION

The Company's board of directors are the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the board of directors for the purposes of allocating resources and assessing performance.

The board of directors consider the business from business lines perspective, and assesses the performance of the Group in three business segments, (1) energy business which comprises mainly the trading of energy-related products; (2) operation of digital energy trading parks; and (3) other business and trading of other products.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit or loss represents the profit or loss from each segment without allocation of finance income or costs, gain on change in fair value of derivative financial liabilities, net foreign exchange gains/(losses), and the unallocated operating expenses since these activities are driven by the central function and the related income or expenses are individual between segments.

The Group's cash and cash equivalents and certain amount of right-of-use assets and trade and other receivables and prepayments are not considered to be segment assets for reporting to the board of directors as they are managed on a central basis.

The Group's borrowings, other borrowing, amounts due to non-controlling shareholders of subsidiaries, directors and related parties, convertible loan notes, derivative financial liabilities, long service payment obligation, current income tax liabilities, deferred tax liabilities and certain amount of lease liabilities and trade and other payables are not considered to be segment liabilities for reporting to the board of directors as they are managed on a central basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION (Continued)

Segment information is as follows:

	2025			
	Energy business HK\$'000	Operation of digital energy trading parks HK\$'000	Others HK\$'000	Total HK\$'000
External segment revenue	1,138,284	15,026	235,909	1,389,219
Segment profit	446	6,290	1,960	8,696
Gain on change in fair value of derivative financial liabilities				105
Unallocated net foreign exchange gain				8,635
Unallocated operating expenses				(12,271)
Operating income				5,165
Finance costs – net				(17,795)
Loss before income tax				(12,630)
Income tax expense				(1,471)
Loss for the year				(14,101)

	2025				
	Energy business HK\$'000	Operation of digital energy trading parks HK\$'000	Others HK\$'000	Unallocated HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment (Note 17)	3	187	–	–	190
Depreciation of right-of-use assets (Note 18)	408	100	–	909	1,417
Provision for ECL allowance for financial assets (Note 20)	1,275	175	–	112	1,562
Impairment loss on prepayments (Note 20)	620	–	–	–	620
Loss on disposal of property, plant and equipment (Note 11)	–	13	–	–	13
Assets					
As at 31 December					
Assets	296,206	1,854	65,413	2,401	365,874
Liabilities					
As at 31 December					
Liabilities	26,737	20,046	60,504	205,048	312,335

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION (Continued)

	2024			
	Energy business HK\$'000	Operation of digital energy trading parks HK\$'000	Others HK\$'000	Total HK\$'000
External segment revenue	1,198,999	18,896	57,444	1,275,339
Segment profit/(loss)	3,657	5,849	(1,980)	7,526
Gain on change in fair value of derivative financial liabilities				1,434
Unallocated net foreign exchange loss				(5,714)
Unallocated operating expenses				(12,923)
Operating loss				(9,677)
Finance costs – net				(10,482)
Loss before income tax				(20,159)
Income tax expense				(1,703)
Loss for the year				(21,862)

	2024				
	Energy business HK\$'000	Operation of digital energy trading parks HK\$'000	Others HK\$'000	Unallocated HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment (Note 17)	11	160	25	–	196
Depreciation of right-of-use assets (Note 18)	227	685	–	915	1,827
Loss on early termination of right-of-use assets (Note 11)	–	56	–	–	56
Write-off on other receivables (Note 20)	–	–	–	200	200
Loss on disposal of property, plant and equipment (Note 11)	–	3	194	–	197
Assets					
As at 31 December					
Assets	261,274	884	31,896	30,144	324,198
Liabilities					
As at 31 December					
Liabilities	2,208	16,069	30,762	208,147	257,186

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION (Continued)

Revenue from external customers by geographical location, based on the destination of the customers is as follows:

	2025 HK\$'000	2024 HK\$'000
The PRC	1,389,219	1,274,253
Hong Kong	–	1,086
	1,389,219	1,275,339

Revenue from major customers which individually accounts for 10% or more of the Group's revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from Customer A	444,525	330,949
Revenue from Customer B	344,796	310,805
Revenue from Customer C	337,609	545,874
Revenue from Customer D	184,872	N/A ¹

Note:

(1) The revenue from Customer D for the year ended 31 December 2024 did not contribute over 10% of the total revenue of the Group for the year.

Non-current assets by geographical location, other than financial instruments, is as follows:

	2025 HK\$'000	2024 HK\$'000
The PRC	711	1,019
Hong Kong	1,402	2,222
	2,113	3,241

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. EXPENSES BY NATURE

	Notes	2025 HK\$'000	2024 HK\$'000
Cost of goods sold		1,366,335	1,251,590
Cost of services		3,555	3,793
Storage fees		137	287
Employee benefit expense (including directors' emoluments)	9	17,344	17,717
Short-term lease expense		1,276	61
Utilities		72	87
Depreciation – property, plant and equipment	17	190	196
Depreciation – right-of-use assets	18	1,417	1,827
Repairs and maintenance expenses		1	50
Legal and professional fees		2,405	2,875
Auditor's remuneration – audit services		1,300	1,300
Auditor's remuneration – non-audit services		150	150
Other expenses		3,370	5,899
Total cost of sales, administrative expenses and distribution expenses		1,397,552	1,285,832
Analysed for reporting purposes:			
Cost of sales		1,369,890	1,255,383
Administrative expenses		24,312	25,993
Distribution expenses		3,350	4,456
		1,397,552	1,285,832

9. EMPLOYEE BENEFIT EXPENSE

	2025 HK\$'000	2024 HK\$'000
Wages and salaries	15,017	15,137
Social security and retirement benefit cost	2,051	2,246
Other staff welfare	276	334
	17,344	17,717

At 31 December 2025, the Group had no forfeited contributions to retirement schemes which are available to reduce its contributions in future years (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. EMPLOYEE BENEFIT EXPENSE (Continued)

(a) Directors' emoluments

The above total employee benefit expense includes directors' remuneration, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, as follows:

For the year ended 31 December 2025

Name	Fee HK\$'000	Salaries HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Total HK\$'000
<i>Executive directors</i>				
Han Jinfeng (i)	–	200	–	200
Chen Jinle (ii)	–	150	–	150
Bai Jie (iii)	–	50	–	50
Yan Jiehua (iv)	–	–	–	–
<i>Non-executive director</i>				
Yuan Hongbing (v)	–	1,140	76	1,216
Chen Yunwei (vi)	–	–	–	–
Cao Yuqi (vii)	–	–	–	–
<i>Independent non-executive directors</i>				
Mak Ting Sang	180	–	–	180
Tche Heng Hou Kevin	180	–	–	180
Li Jing (viii)	–	–	–	–
Jiang Hao (ix)	150	–	–	150
	510	1,540	76	2,126

Notes:

- (i) Mr. Han Jinfeng resigned as an executive director of the Company with effect from 13 September 2024 and was appointed as an executive director of the Company with effect from 14 October 2025.
- (ii) Mr. Chen Jinle was appointed as an executive Director of the Company with effect from 14 October 2025.
- (iii) Ms. Bai Jie, was appointed as an independent non-executive director on 8 September 2025, has been re-designated as an executive director with effect from 19 December 2025.
- (iv) Ms. Yan Jiehua was appointed as an executive director of the Company with effect of 15 August 2025 and resigned as an executive director of the Company with effect from 14 October 2025.
- (v) Mr. Yuan Hongbing has resigned as an executive director of the Company and has been re-designated as a non-executive director of the Company with effect from 14 October 2025.
- (vi) Mr. Chen Yunwei resigned as a non-executive director of the Company with effect from 17 October 2025.
- (vii) Ms. Cao Yuqi was appointed as non-executive director of the Company with effect from 6 December 2024 and resigned as non-executive director of the Company with effect from 4 August 2025.
- (viii) Ms. Li Jing was appointed as an independent non-executive director of the Company with effect from 19 December 2025.
- (ix) Mr. Jiang Hao resigned as an independent non-executive director of the Company with effect from 28 October 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. EMPLOYEE BENEFIT EXPENSE (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 December 2024

Name	Fee HK\$'000	Salaries HK\$'000	Employer's contribution to a retirement benefit scheme HK\$'000	Total HK\$'000
<i>Executive directors</i>				
Yuan Hongbing	–	1,440	88	1,528
Han Jinfeng (i)	–	–	–	–
<i>Non-executive director</i>				
Chen Yunwei	–	–	–	–
Cao Yuqi (ii)	–	–	–	–
<i>Independent non-executive directors</i>				
Jiang Hao	180	–	–	180
Mak Ting Sang	180	–	–	180
Tche Heng Hou Kevin	180	–	–	180
	540	1,440	88	2,068

Notes:

- (i) Mr. Han Jinfeng resigned as an executive director of the Company with effect from 13 September 2024 and was appointed as an executive director of the Company with effect from 14 October 2025.
- (ii) Ms. Cao Yuqi was appointed as non-executive director of the Company with effect from 6 December 2024 and resigned as an executive director of the Company with effect from 4 August 2025.

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2024: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Company did not pay consideration to any third parties for making available directors' services (2024: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2025, there is no loans, quasi-loans and other dealing arrangements in favour of directors, or controlled bodies corporate by and connected entities with such directors (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. EMPLOYEE BENEFIT EXPENSE (Continued)

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

(f) The executive directors' emoluments shown above were of their services in connection with the management of the affairs of the Company and the Group.

(g) The emoluments of the non-executive directors' and independent non-executive directors shown above were for the services as directors of the Company.

(h) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one (2024: one) director whose emoluments are set out in Note 9(a). The emoluments payable to the remaining four (2024: four) individuals for the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits	1,295	1,716
Bonuses	–	28
Retirement benefit scheme contributions	37	50
	1,332	1,794

The emoluments fell within the following bands:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Government grant (Note)	5,044	5,546
Others	1,909	3
	6,953	5,549

Note: During the current year, the Group recognised unconditional government grant of approximately HK\$5,044,000 (2024: HK\$5,546,000) provided by the PRC government, including value-added tax exemption of approximately HK\$48,000 (2024: HK\$56,000), subsidies for stabilizing employment of approximately HK\$28,000 (2024: HK\$28,000) and operation-related of digital energy trading parks of approximately HK\$4,968,000 (2024: HK\$5,462,000).

11. OTHER GAINS/(LOSSES) – NET

	2025 HK\$'000	2024 HK\$'000
Gain on change in fair value of derivative financial liabilities (Note 29)	105	1,434
Net foreign exchange gain/(losses)	8,635	(5,714)
Loss on disposal of property, plant and equipment	(13)	(197)
Loss on early termination of right-of-use assets	–	(56)
	8,727	(4,533)

12. FINANCE INCOME AND COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expense:		
– Convertible loan notes (Note 29)	(6,490)	(10,608)
– Borrowings	(1,170)	–
– Other borrowing	(10,286)	–
– Bond payables	–	(293)
– Lease liabilities	(128)	(113)
– Long service payment obligation	–	(1)
Total finance costs	(18,074)	(11,015)
Bank interest income	279	533
Total finance income	279	533
Total finance costs – net	(17,795)	(10,482)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current income tax:		
– PRC Enterprise Income Tax	1,483	1,871
– Hong Kong Profits Tax	–	90
Under/(Over)-provision in prior years:		
– PRC Enterprise Income Tax	12	(275)
	1,495	1,686
Deferred tax:		
– PRC Enterprise Income Tax	(24)	17
	1,471	1,703

Hong Kong Profits Tax has been provided for the year ended 31 December 2024 at the rate of 16.5% on the estimated assessable profits, except for the first HK\$2,000,000 of the assessable profit of a subsidiary of the Company, which is calculated at 8.25% in accordance with the two-tiered tax rate regime, net of tax concession for the year ended 31 December 2024. No provision for Hong Kong Profits Tax for the year ended 31 December 2025 has been made in the consolidated financial statements as the Group did not have any estimated assessable profits under Hong Kong Profits Tax for that year.

PRC Enterprise Income Tax has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the PRC in which the Group operates. The Company's subsidiaries incorporated in the PRC are subject to Enterprise Income Tax ("EIT") at the rate of 25% (2024: 25%).

According to the provisions of Ministry of Finance and State Taxation Administration Announcement No. 12 of 2023 (財政部稅務總局公告2023年第12號), certain subsidiaries of the Group enjoy preferential income tax policies for the small and low profit enterprises for both years.

The income tax expense for the year can be reconciled to the Group's loss before income tax per the consolidated statement of profit or loss, as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before income tax	(12,630)	(20,159)
Tax calculated at domestic tax rates applicable in the jurisdiction concerned	(1,683)	(3,173)
Tax effect of expenses that are not deductible for tax purposes	4,280	3,945
Tax effect of income that are not taxable for tax purposes	(1,503)	(58)
Tax effect of tax losses not recognised	1,489	2,480
Utilisation of tax losses not previously recognised	(310)	(116)
Tax effect of temporary differences not recognised	546	33
Under/(over)-provision in prior years	12	(275)
Effect of tax exemption and preferential rates granted to certain PRC subsidiaries	(1,360)	(1,133)
	1,471	1,703

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. DIVIDENDS

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

15. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the purpose of basic loss per share and diluted loss per share		
Loss for the year attributable to the owners of the Company	(19,337)	(22,602)
	No. of shares '000	No. of shares '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	4,455,021	4,455,021
Effect of dilutive potential ordinary shares:		
Convertible loan notes*	499,112	920,080
Share options*	–	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	4,455,021*	4,455,021*
	2025 HK cents	2024 HK cents
Basic loss per share	(0.43)	(0.51)
Diluted loss per share	N/A	N/A

* The computation of the diluted loss per share for the years ended 31 December 2024 and 2025 does not assume the conversion of the Company's outstanding convertible loan notes, as their assumed exercise would result in a decrease in loss per share for both years and therefore anti-dilutive. On 17 July 2025, the convertible loan notes matured, and according with the terms of relevant agreements, the conversion rights lapsed upon maturity. For the year ended 31 December 2025, the effect of dilutive potential ordinary shares of convertible loan notes was 499,112,000 shares (2024: 920,080,000 shares).

The computation of the diluted loss per share for the years ended 31 December 2025 and 2024 does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. SUBSIDIARIES

General information of subsidiaries

The following is a list of the principal subsidiaries of the Group at 31 December 2025 and 2024:

Company	Place of incorporation/ establishment/ principal place of business	Particulars of issued share capital/ registered capital	Proportion of effective shareholding		Principal activities
			2025 %	2024 %	
Indirect subsidiaries:					
Jinhui (Hong Kong) Holdings Ltd. (香港(金滙)控股有限公司)	Hong Kong	HK\$1	100	100	Investment holding
Shandong Dadao Juneng Network Technology Co., Ltd.* (山東大道聚能網絡科技集團 有限公司)	PRC	RMB5,000,000	51	51	Operation of digital energy trading parks
Ningxia Deru Petrochemical Co., Ltd.* (寧夏德儒石油化工有限公司)	PRC	RMB100,000,000	100	100	Trading of energy-related products
ZY Energy Holdings Limited (中氫能源控股有限公司)	HK	HK\$50,000,000	100	100	Trading of energy-related products
Shenzhen Hongke Supply Chain Co., Ltd* (深圳泓科供應鏈有限公司)	PRC	RMB20,000,000	51	51	Trading of agricultural products
Beijing Wanjia Innovation Trading Co., Ltd* (北京萬家創新商貿有限公司)	PRC	RMB10,000,000	51	51	Trading of deformed steel

Notes:

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

* For identification purpose only

Details of non-wholly owned subsidiaries that have material non-controlling interests

Name of entities	Place of incorporation/ establishment/ principal place of business	Voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Shandong Dadao Juneng Network Technology Co., Ltd. and its subsidiaries ("Shandong Dadao Juneng Group")	PRC	49%	49%	3,849	2,572	5,992	3,478
Beijing Wanjia Innovation Trading Co., Ltd	PRC	49%	49%	366	(1,234)	4,431	3,986
Individually immaterial subsidiaries with non-controlling interests				1,021	(598)	703	(328)
				5,236	740	11,126	7,136

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Shandong Dadao Juneng Group

	2025 HK\$'000	2024 HK\$'000
Non-current assets	1,846	1,874
Current assets	36,172	24,224
Current liabilities	(25,201)	(16,216)
Non-current liabilities	–	–
Equity attributable to owners of the Company	6,825	6,404
Non-controlling interests	5,992	3,478
Revenue	14,758	24,450
Expenses	(7,419)	(19,213)
Profit for the year	7,339	5,237
Profit attributable to owners of the Company	3,490	2,665
Profit attributable to non-controlling interests	3,849	2,572
Profit for the year	7,339	5,237
Other comprehensive income/(loss) attributable to owners of the Company	290	(138)
Other comprehensive income/(loss) attributable to non-controlling interests	282	(134)
Other comprehensive income/(loss) for the year	572	(272)
Total comprehensive income for the year	7,911	4,965
Dividend paid to non-controlling interests	(1,617)	–
Net cash generated from operating activities	891	5,652
Net cash used in investing activities	(335)	(4,705)
Net cash used in financing activities	(1,617)	(791)
Net (decrease)/increase in cash and cash equivalents	(1,061)	156

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Beijing Wanjia Innovation Trading Co., Ltd

	2025 HK\$'000	2024 HK\$'000
Non-current assets	–	–
Current assets	48,404	11,235
Current liabilities	(39,361)	(3,100)
Non-current liabilities	–	–
Equity attributable to owners of the Company	4,612	4,149
Non-controlling interests	4,431	3,986
Revenue	32,099	34,681
Expenses	(31,352)	(37,199)
Profit/(loss) for the year	747	(2,518)
Profit/(loss) attributable to owners of the Company	381	(1,284)
Profit/(loss) attributable to non-controlling interests	366	(1,234)
Profit/(loss) for the year	747	(2,518)
Other comprehensive income/(loss) attributable to owners of the Company	82	(89)
Other comprehensive income/(loss) attributable to non-controlling interests	79	(86)
Other comprehensive income/(loss) for the year	161	(175)
Total comprehensive income/(loss) for the year	908	(2,693)
Dividend paid to non-controlling interests	–	–
Net cash generated from/(used in) operating activities	974	(5,834)
Net cash used in investing activities	–	–
Net cash generated from financing activities	–	5,836
Net increase in cash and cash equivalents	974	2

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery HK\$'000	Furniture, fixtures and office equipment HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Year ended 31 December 2025					
Carrying amount at 1 January 2025	–	232	–	113	345
Additions, at cost	–	55	–	308	363
Disposals	–	(15)	–	–	(15)
Depreciation charge	–	(135)	–	(55)	(190)
Currency translation differences	–	9	–	13	22
Carrying amount at 31 December 2025	–	146	–	379	525
At 31 December 2025					
Cost	–	1,040	857	787	2,684
Accumulated depreciation and impairment	–	(894)	(857)	(408)	(2,159)
Carrying amount	–	146	–	379	525
Year ended 31 December 2024					
Carrying amount at 1 January 2024	709	304	–	158	1,171
Additions, at cost	–	72	–	–	72
Disposals	(673)	(7)	–	–	(680)
Depreciation charge	(25)	(128)	–	(43)	(196)
Currency translation differences	(11)	(9)	–	(2)	(22)
Carrying amount at 31 December 2024	–	232	–	113	345
At 31 December 2024					
Cost	–	1,394	815	447	2,656
Accumulated depreciation and impairment	–	(1,162)	(815)	(334)	(2,311)
Carrying amount	–	232	–	113	345

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2025 HK\$'000	2024 HK\$'000
Depreciation charge analysed for reporting purpose:		
Energy business	3	11
Operation of digital energy trading parks	187	160
Others	–	25
	190	196

Depreciation expenses for the year ended 31 December 2025 of approximately HK\$190,000 (2024: HK\$196,000) have been charged in "administrative expenses".

18. RIGHT-OF-USE ASSETS

	Leased properties 2025 HK\$'000	2024 HK\$'000
Cost		
At 1 January	4,234	8,702
Additions	–	4,300
Derecognition upon expiration	–	(6,096)
Derecognition upon early termination	–	(1,551)
Currency translation difference	218	(1,121)
At 31 December	4,452	4,234
Accumulated depreciation and impairment		
At 1 January	(1,338)	(6,974)
Depreciation charge for the year	(1,417)	(1,827)
Derecognition upon expiration	–	6,096
Derecognition upon early termination	–	310
Currency translation difference	(109)	1,057
At 31 December	(2,864)	(1,338)
Carrying amount		
At 31 December	1,588	2,896
Depreciation charge analysed for reporting purpose:		
Energy business	408	227
Operation of digital energy trading parks	100	685
Unallocated	909	915
	1,417	1,827
Expense relating to short-term leases and other leases with lease terms end within 12 months	1,276	61
Total cash outflow for leases	2,750	2,074

During year ended 31 December 2025, the Group leases offices for its operations. Lease contracts are entered into for fixed term of 2–3 years (2024: 2–3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Trading deformed steel	–	2,080

At 31 December 2025, the carrying amount of inventories carried at the lower of cost and net realisable value amount to HK\$Nil (2024: HK\$2,080,000).

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables from third parties	55,720	78,551
Less: provision of ECL allowance	(1,131)	–
Trade receivables – net of provision of ECL allowance	54,589	78,551
Other receivables	5,044	2,528
Value-added tax receivables	–	274
Less: provision of ECL allowance	(431)	–
Trade and other receivables	59,202	81,353
Prepayments to suppliers	270,662	211,591
Deposits paid	511	511
Prepaid expenses	328	186
	330,703	293,641

Trade receivables

The Group normally allows a credit period of 0–3 days (2024: 0–3 days) from invoice date to its customers and may further extend the credit period to selected customers depending on their trade volume and settlement history. As at 31 December 2025 and 2024, the aging analysis of trade receivables based on invoice date was as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	55,720	78,551

Movements in provision of ECL allowance of trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	–	–
Provision of ECL allowance	1,131	–
At 31 December	1,131	–

In determining the ECL of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted. The trade receivables past due but not provided for were either settled after the end of the reporting period or no historical default of payments by the respective customers.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Trade receivables (Continued)

As at 31 December 2025, included in the Group's trade receivables are receivables with the aggregate carrying amount of approximately HK\$55,720,000 are past due (2024: HK\$78,551,000 are not past due), at the end of the reporting period. The Group does not hold any collateral over these balances.

As at 31 December 2025, the Group's management concluded that ECL of the other receivables approximately HK\$431,000 provision in this respect was made (2024: HK\$Nil). For the year ended 31 December 2024, an amount of approximately HK\$200,000 (2025: HK\$Nil) was written off, as the balance has been overdue for certain time which the directors of the Company view it could not be recovered after continuous efforts made by the Group.

Prepayments to suppliers

The Group's prepayments to suppliers are mainly related to the energy and other business. The Group makes prepayments to suppliers to secure the supply of relevant products. The prepayments are normally utilised within 30–180 days (2024: 30–180 days) after the dates of payment. Among the Group's prepayments to suppliers as at 31 December 2025, an amount of approximately HK\$229,015,000 (2024: HK\$186,331,000) has been utilised up to the date of approval of these consolidated financial statements.

Movements in the provision for impairment loss of prepayments to suppliers are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	856	885
Provision for impairment recognised during the year	620	–
Currency translation differences	43	(29)
At 31 December	1,519	856

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
RMB	59,102	81,242
HK\$	100	111
	59,202	81,353

21. CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Cash on hand and at bank	33,058	25,236

The cash and cash equivalents are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
RMB	32,812	24,912
HK\$	244	322
US\$	2	2
	33,058	25,236

As at 31 December 2025, cash and cash equivalents, held in the PRC amounted to approximately HK\$32,812,000 (2024: HK\$24,912,000). Remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.00125 each		
Authorised:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	16,000,000,000	20,000
Issued and fully paid:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	4,455,020,888	5,569

23. OTHER RESERVES

	Share premium HK\$'000	Statutory reserve (note a) HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Capital reserve (note b) HK\$'000	Special reserve HK\$'000	Total HK\$'000
At 1 January 2024	321,958	2,691	(20,153)	74,748	24,741	(14)	403,971
Currency translation differences	–	–	(2,277)	–	–	–	(2,277)
Deregistration of subsidiaries	–	(525)	–	–	–	–	(525)
At 31 December 2024 and 1 January 2025	321,958	2,166	(22,430)	74,748	24,741	(14)	401,169
Currency translation differences	–	–	1,874	–	–	–	1,874
Share option lapsed	–	–	–	(32,895)	–	–	(32,895)
At 31 December 2025	321,958	2,166	(20,556)	41,853	24,741	(14)	370,148

Notes:

- (a) Statutory reserve comprises statutory surplus reserve of the subsidiary companies in the PRC. The Company's subsidiaries incorporated in the PRC are required to make appropriations to statutory reserve from their profit for the year after offsetting accumulated losses carried forward from prior years as determined under the PRC accounting regulations and before distribution to shareholders. The percentages to be appropriated to such statutory reserve are determined according to the relevant regulations in the PRC at rate of 10% or at the discretion of the board of directors of the PRC subsidiaries, and further appropriation is optional when the accumulated fund is 50% or more of the registered capital of the subsidiaries.
- (b) Capital reserve of the Group is analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Current account waived by a shareholder	(2,564)	(2,564)
Interest payable waived by shareholders	1,465	1,465
Payroll and welfare payables waived by shareholders	25,840	25,840
	24,741	24,741

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. SHARE-BASED PAYMENTS

On 16 September 2019, a new share option scheme (the “**Share Option Scheme**”) was approved and adopted by the shareholders of the Company. Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 29 May 2020, the scheme mandate limits of the Scheme were refreshed and renewed. The particulars of the Share Option Scheme are as follows:

Purpose

To enable the Company to grant options to selected eligible participants as incentives or rewards for their contributions to the Group.

Eligible Participants

Eligible participants of the Share Option Scheme include any director or officer or full time or part time employee of or any person who has accepted an employment offer (whether full time or part time) and other persons and parties as defined in the scheme document.

Total number of ordinary shares available for issue

The total number of ordinary shares available for issue under the Share Option Scheme and any other schemes must not exceed 10% of the shares of the Company in issue at the date of shareholders’ approval of the Share Option Scheme.

Maximum entitlement of each eligible participant

The maximum number of ordinary shares in respect of which options may be granted to each eligible participant in any 12-month period up to the date of grant is not permitted to exceed 1% of the ordinary shares in issue at the date of grant without prior approval from the Company’s shareholders.

Period within which the ordinary shares must be taken up under a share option

Within 10 years from the date of grant of the share option or such shorter period as the board of directors of the Company determines at the time of grant.

No share-based compensation expense for the year ended 31 December 2025 and 2024 were recognised by the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. SHARE-BASED PAYMENTS (Continued)

Period within which the ordinary shares must be taken up under a share option (Continued)

Details of the movement of the outstanding share options issued under the Share Option Scheme are as follows:

For the year ended 31 December 2025

Category of participants	Date of grant	Exercise price	Vesting date	Exercisable period	Number of share options			
					As at 01/01/2025	Granted during the year	Lapsed during the year	As at 31/12/2025
Employees	19/06/2015	HK\$0.64125	19/06/2015	19/06/2015–18/06/2025	123,200,000	–	(123,200,000)	–
Employees	24/09/2019	HK\$0.15	24/09/2019	24/09/2019–23/09/2029	362,500,000	–	–	362,500,000
Director	19/06/2020	HK\$0.145	19/06/2020	19/06/2020–18/06/2026	37,000,000	–	–	37,000,000
Employees	19/06/2020	HK\$0.145	19/06/2020	19/06/2020–18/06/2026	159,000,000	–	–	159,000,000
Employees	20/05/2021	HK\$0.15	20/05/2021	20/05/2021–19/05/2027	125,000,000	–	–	125,000,000
Total					806,700,000	–	(123,200,000)	683,500,000

At 31 December 2025, the number of shares in respect of which options had been granted 683,500,000 (2024: 806,700,000) and remained outstanding under the Share Option Scheme was 683,500,000 (2024: 806,700,000), which totally representing 15.34% (2024: 18.11%) of the shares of the Company in issue at that date. During the year ended 31 December 2025, an amount of approximately HK\$32,895,000 (2024: HK\$Nil) represented 123,200,000 (2024: Nil) of the share options were lapsed.

For the year ended 31 December 2024

Category of participants	Date of grant	Exercise price	Vesting date	Exercisable period	Number of share options			
					As at 01/01/2024	Granted during the year	Lapsed during the year	As at 31/12/2024
Employees	19/06/2015	HK\$0.64125	19/06/2015	19/06/2015–18/06/2025	123,200,000	–	–	123,200,000
Employees	24/09/2019	HK\$0.15	24/09/2019	24/09/2019–23/09/2029	362,500,000	–	–	362,500,000
Director	19/06/2020	HK\$0.145	19/06/2020	19/06/2020–18/06/2026	37,000,000	–	–	37,000,000
Employees	19/06/2020	HK\$0.145	19/06/2020	19/06/2020–18/06/2026	159,000,000	–	–	159,000,000
Employees	20/05/2021	HK\$0.15	20/05/2021	20/05/2021–19/05/2027	125,000,000	–	–	125,000,000
Total					806,700,000	–	–	806,700,000

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	13	13
Other payables (Note)	44,497	9,595
Consideration payable	219	219
Accrued salaries	3,633	2,240
Accrued expenses	7,693	5,520
Other tax payables	2,403	3,593
	58,458	21,180

Note: As at 31 December 2025, included in other payables of amount of approximately HK\$39,004,000 (2024: HK\$Nil) represented the amount received from an independent third party which is unsecured, interest-free and repayable on demand.

The suppliers normally allow credit periods arranged from 60 to 365 days to the Group. At 31 December 2025 and 2024, the aging analysis of the trade payables based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	13	13

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
RMB	48,550	15,750
HK\$	9,908	5,430
	58,458	21,180

26. AMOUNT(S) DUE TO DIRECTORS/NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES/RELATED PARTIES

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

27. BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowings, unsecured	17,814	16,644

As at 31 December 2025, the unsecured bank borrowings with principal and interest payables of HK\$13,387,000 (2024: HK\$13,387,000) and HK\$4,427,000 (2024: HK\$3,257,000) respectively have been overdue and has not repaid in accordance with scheduled payment dates. Up to the date of approval of the consolidated financial statements, these bank borrowings with principal and interest payables of approximately HK\$13,387,000 (2024: HK\$13,387,000) and HK\$4,427,000 (2024: HK\$3,257,000) are still outstanding.

The outstanding bank borrowings carry interest at the effective rate at 5% per annum over prime rate of corresponding bank.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. OTHER BORROWING

	2025 HK\$'000	2024 HK\$'000
Other borrowing, secured	163,605	–

It represents the aggregate amounts of outstanding principal of approximately HK\$153,319,000 and the accrued interests payable of approximately HK\$10,286,000 of the default convertible loan notes, which had been matured on 17 July 2025. Please refer to Note 29 for details.

The borrowing was secured by shareholders of the Company with personal guarantee. The borrowing carried interest at 14% per annum and repayable on demand.

29. CONVERTIBLE LOAN NOTES AND DERIVATIVE FINANCIAL LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Convertible loan notes:		
Liability component	–	146,829
Derivative conversion option component	–	103

The Company issued HK\$110,952,907, 10% convertible loan notes ("**Convertible Notes**") at a par value of HK\$1,000,000 each on 17 July 2019. Under the terms of the Convertible Notes, (i) the Convertible Notes are denominated in Hong Kong dollars and are secured by shareholders of the Company, who have jointly and severally, unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Company; (ii) the Convertible Notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the Convertible Notes and their settlement date on 17 July 2020 at a conversion price of HK\$0.184 per Convertible Notes; (iii) the Company have the options to redeem all or some of the Convertible Notes at par value plus accrued interest at any time between the date of issue of the Convertible Notes and the settlement date; (iv) if the Convertible Notes have not been converted or redeemed, they will be redeemed on 17 July 2020 at par; and (v) interest of 10% will be paid annually up until the settlement date.

On 4 May 2020, a convertible notes holder signed a deed of assignment to transfer all rights and obligation of the Convertible Notes to another party ("**the New Noteholder**").

On 16 July 2020, the Company and the New Noteholder signed a supplementary agreement to revise the terms of Convertible Notes under which the Convertible Notes would be redeemed on 17 July 2021 at a conversion price of HK\$0.1340 per Convertible Notes. The fair value of the Convertible Notes at 16 July 2020 was estimated to be HK\$110,953,000, which was valued by an independent financial advisor. The fair value of the Convertible Notes comprises the liability component and the equity component amounted to HK\$97,767,000 and HK\$13,186,000 respectively.

On 4 August 2021, the Company and the New Noteholder signed the second supplementary agreement to revise the terms of the Convertible Notes. Pursuant to this supplementary agreement, the Convertible Notes will be redeemed on 17 July 2022 and the interest on the notes is charged at 10% per annum until the settlement date. Except for the above mentioned, all other terms of the Convertible Notes remain unchanged.

The Convertible Notes matured on 17 July 2022 and were not repaid by the Company or converted into shares of the Company upon their maturity, which was default and then was reclassified to amount due to a shareholder upon their maturity. Default interest was accrued at 14% per annum in accordance with the terms of the convertible loan notes since 17 July 2022 and was included in amount due to a shareholder.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. CONVERTIBLE LOAN NOTES AND DERIVATIVE FINANCIAL LIABILITIES (Continued)

As at 31 December 2022, the amount due to a shareholder represented principal outstanding of the default convertible loan notes and related accrued interests, which was secured by guarantee given by the shareholders of the Company and repayable on demand.

On 5 May 2023, the shareholders of the Company passed the ordinary resolutions approving the third supplemental agreement with the New Noteholder to revise the terms of the Convertible Notes. Pursuant to this supplemental agreement, the Convertible Notes would be redeemed on 17 July 2025 and the interest on the notes was charged at 8% per annum until the settlement date. Except for the above, all other terms of the Convertible Notes remain unchanged.

Upon the modification of the terms of the Convertible Notes on 5 May 2023, the Convertible Notes contain liability component and derivative conversion option component. The early redemption option held by the Company is regarded as embedded derivative closely related to the economic characteristics and risks of the host contract, therefore, the early redemption option is not separated from liability component. As at 5 May 2023, the fair value of the derivative component amounted to HK\$904,000 was valued by an independent financial advisor and the effective rate applied for the liability component carried at amortised cost is 7.5% per annum.

During the year ended 31 December 2023, the gain on modification of the Convertible Notes amounted to HK\$1,364,000, which represents the excess of the carrying amount of the liability component of the Convertible Notes at the date of modification over the fair value of the Convertible Notes at that date, was treated as deemed contribution from a shareholder and recognised in capital reserve.

The Convertible Notes matured on 17 July 2025 and were neither repaid by the Company nor converted into shares upon maturity, which was default, and then was reclassified to other borrowing (Note 28) upon their maturity. Default interest was accrued at 14% per annum in accordance with the terms of the convertible loan notes since 17 July 2025.

Subsequent to 31 December 2025, the Company and the New Noteholder entered into a new supplemental agreement ("**Fourth Supplemental Agreements**") to revise the terms of the Convertible Notes. Pursuant to Fourth Supplemental Agreement, the parties have conditionally agreed that, as at 18 July 2025, all accrued and unpaid interest on the amount due by the Company to the New Noteholder was approximately HK\$30,028,000; and the original principal amount of the Convertible Note was approximately HK\$123,291,000. Further, interest shall be accrued at the rate of 8% per annum from 19 July 2025 onwards. The maturity date of the amount due to the shareholder shall be extended to 17 July 2027 and the principal and interest payment date shall be revised to 17 July 2027. Except for the above, all other terms of the Convertible Notes remain unchanged.

Details of principal valuation parameters applied in determining the derivative conversion option component was summarised as follows:

	At 31 December 2024
(a) Principal amount	HK\$123,291,000
(b) Coupon rate	8% per annum
(c) Maturity date	17 July 2025
(d) Conversion price	HK\$0.134
(e) Risk-free rate	3.08%
(f) Expected volatility	78.0%
(g) Expected dividend yield	0%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. CONVERTIBLE LOAN NOTES AND DERIVATIVE FINANCIAL LIABILITIES (Continued)

Movements of the Convertible Notes for the years ended 31 December 2025 and 2024 are as follows:

	Liability component HK\$'000	Derivative component HK\$'000
At 1 January 2024	136,221	1,537
Interest expense (Note 12)	10,608	–
Gain on change in fair value of derivative financial liability (Note 11)	–	(1,434)
At 31 December 2024	146,829	103
Interest expense (Note 12)	6,490	–
Gain on change in fair value of derivative financial liabilities (Note 11)	–	(105)
Transfer other borrowing	(153,319)	–
Currency translation difference	–	2
At 31 December 2025	–	–

30. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Within one year	1,168	1,267
After 1 year but within 2 years	497	1,157
After 2 years but within 5 years	–	497
Less: Amount due for settlement within 12 months shown under current liabilities	1,665 (1,168)	2,921 (1,267)
Amount due for settlement after 12 months shown under non-current liabilities	497	1,654

The weighted average incremental borrowing rate applied to lease liabilities is 5.44% (2024: 5.44%) per annum.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Operation of digital energy trading parks (Note a)	8,465	10,462
Trading of other products (Note b)	17,492	23,904
	25,957	34,366

Movements in contract liabilities during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	34,366	14,521
Increase in contract liabilities as a result of advance consideration received from customers	18,165	21,699
Increase arising from acquisition of subsidiaries	–	29,315
Decrease in contract liabilities as a result of recognising revenue for the year that was included in the contract liabilities at the beginning of the year	(28,058)	(29,233)
Currency translation differences	1,484	(1,936)
At 31 December	25,957	34,366

Notes:

- (a) The Group receives a designated amount of the contract value from customers when the service agreement is signed. The advances result in contract liabilities being recognised until the customer obtains control of promised services for operation of digital energy trading parks and the entity satisfies the related performance obligation.
- (b) The Group receives a designated amount of the contract value from customers when the sales agreement of certain products is signed. The advances result in contract liabilities being recognised until the customer obtains control of promised products and the entity delivers the goods.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. DEFERRED TAX LIABILITIES

As at 31 December 2025, the Group had unutilised tax loss carried forward to offset future taxable profits of approximately HK\$18,433,000 (2024: HK\$13,412,000), which was not recognised as deferred income tax asset, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction. These unrecognised tax losses will expire in a period from 2026 to 2030.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$2,650,000 (2024: HK\$856,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK\$85,030,000 (2024: HK\$64,269,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

	Lease liabilities HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
At 1 January 2024	(617)	624	7
Charge/(credit) to profit or loss	596	(579)	17
Currency translation difference	21	(21)	–
At 31 December 2024	–	24	24
Credit to profit or loss	–	(24)	(24)
At 31 December 2025	–	–	–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. CASH FLOW INFORMATION

(a) Cash (used in)/generated from operations

	2025 HK\$'000	2024 HK\$'000
Loss before income tax	(12,630)	(20,159)
Adjustments for:		
Depreciation of property, plant and equipment (Note 8)	190	196
Depreciation of right-of-use assets (Note 8)	1,417	1,827
Loss on disposal of property, plant and equipment (Note 11)	13	197
Loss on early termination of right-of-use assets (Note 11)	–	56
Long service payment obligation	–	24
Finance costs (Note 12)	18,074	11,015
Finance income (Note 12)	(279)	(533)
Net foreign exchange (gain)/losses (Note 11)	(8,635)	5,714
Gain on change in fair value of derivative financial liabilities (Note 11)	(105)	(1,434)
Write-off on other receivables (Note 20)	–	200
Impairment loss of prepayment (Note 20)	620	–
ECL allowance of financial assets (Note 20)	1,562	–
Operating cash flows before movements in working capital	227	(2,897)
Decrease/(Increase) in inventories	2,080	(2,125)
(Increase)/decrease in trade and other receivables and prepayments	(27,736)	15,046
Increase in trade and other payables	36,081	6,477
Decrease in contract liabilities	(8,180)	(7,331)
Cash generated from operations	2,472	9,170

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows from financing activities.

	Amounts due to related parties HK\$'000	Borrowings HK\$'000	Amounts due to non- controlling shareholders of subsidiaries HK\$'000	Amounts due to directors HK\$'000	Lease liabilities HK\$'000	Other borrowing HK\$'000	Convertible loan notes HK\$'000	Total HK\$'000
At 1 January 2025	8,295	16,644	574	25,390	2,921	–	146,829	200,653
Financing activities								
Cash inflows for the year	1,951	–	–	6,709	–	–	–	8,660
Cash outflows for the year	–	–	(24)	(40)	(1,474)	–	–	(1,538)
Net cash inflow/(outflow) from financing activities	1,951	–	(24)	6,669	(1,474)	–	–	7,122
Interest expenses	–	1,170	–	–	128	10,286	6,490	18,074
Transfer to other borrowing	–	–	–	–	–	153,319	(153,319)	–
Currency translation differences	449	–	17	684	90	–	–	1,240
At 31 December 2025	10,695	17,814	567	32,743	1,665	163,605	–	227,089

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities arising from financing activities (Continued)

	Amounts due to related parties HK\$'000	Borrowings HK\$'000	Amounts due to non- controlling shareholders of subsidiaries HK\$'000	Amount due to a director HK\$'000	Lease liabilities HK\$'000	Bond payables HK\$'000	Convertible loan notes HK\$'000	Total HK\$'000
At 1 January 2024	4,988	16,646	16	1,000	1,755	29,845	136,221	190,471
Financing activities:								
Cash inflows for the year	3,573	–	570	25,007	–	–	–	29,150
Cash outflows for the year	–	–	–	(162)	(2,013)	(29,774)	–	(31,949)
Net cash inflow/(outflow) from financing activities	3,573	–	570	24,845	(2,013)	(29,774)	–	(2,799)
Interest expenses	–	–	–	–	113	293	10,608	11,014
New leases entered	–	–	–	–	4,300	–	–	4,300
Elimination upon early termination of right-of-use assets	–	–	–	–	(1,211)	–	–	(1,211)
Currency translation differences	(266)	(2)	(12)	(455)	(23)	(364)	–	(1,122)
At 31 December 2024	8,295	16,644	574	25,390	2,921	–	146,829	200,653

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year's presentation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following significant related party transactions during the year ended 31 December 2025 and 2024:

(a) Related parties

Name of related parties	Relationship
北京遠創天地投資顧問集團有限公司 ("Beijing Yuanchuang Tiandi Investment Consulting Group Co., Ltd.")* ("Beijing Yuanchuang")	Related company of Mr. Yuan Hongbing

(b) Related party transactions

During the year ended 31 December 2025 and 2024, there are no significant transactions carried out with related parties to be disclosed.

(c) Related party balances

The balances with related parties as at the year end were as follows:

	2025 HK\$'000	2024 HK\$'000
Amounts due to related parties (Note 26)		
Beijing Yuanchuang	10,695	8,295
Amounts due to directors (Note 26)		
Yuan Hongbing	31,433	25,390
Chen Jiele	1,310	–
	32,743	25,390
Amounts due to non-controlling shareholders of subsidiaries (Note 26)		
Beijing Guoke Weiye Power Technology Co., LTD* (北京國科偉業電力科技有限公司)	–	16
Li Kehuai	557	530
Jiang Houyu	10	20
Wang Di	–	8
	567	574

* For identification purpose only

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(d) Compensation of key management personnel

The remuneration of directors and other members of key management for the year was as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other short-term benefits (Note 9(a))	2,126	2,068

36. SUMMARY FINANCIAL INFORMATION OF THE COMPANY

(a) Statement of financial position of the Company

	2025 HK\$'000	2024 HK\$'000
Assets		
Non-current assets		
Investment in subsidiaries	–	–
Amounts due from subsidiaries	270,943	226,991
Right-of-use assets	1,402	2,222
	272,345	229,213
Current assets		
Other receivables	611	611
Amount due from a director	40	–
Cash and cash equivalents	196	198
	847	809
Total assets	273,192	230,022
Equity		
Share capital	5,569	5,569
Other reserves	399,272	427,322
Accumulated losses	(414,343)	(437,309)
Total equity	(9,502)	(4,418)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36. SUMMARY FINANCIAL INFORMATION OF THE COMPANY (Continued)

(a) Statement of financial position of the Company (continued)

	2025 HK\$'000	2024 HK\$'000
Liabilities		
Non-current liabilities		
Long service payment obligation	98	93
Lease liabilities	497	1,434
	595	1,527
Current liabilities		
Other payables	9,156	8,678
Amounts due to subsidiaries	89,735	62,223
Amount due to a director	852	838
Borrowings	17,814	13,387
Other borrowing	163,605	–
Convertible loan notes	–	146,829
Derivative financial liabilities	–	103
Lease liabilities	937	855
	282,099	232,913
Total liabilities	282,694	234,440
Net current liabilities	(281,252)	(232,104)
Total assets less current liabilities	(8,907)	(2,891)
Net liabilities	(9,502)	(4,418)

The statement of financial position of the Company was approved by the Board of Directors on 9 June 2026 and is signed on its behalf by:

Han Jinfeng
Director

Chen Jinle
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36. SUMMARY FINANCIAL INFORMATION OF THE COMPANY (Continued)

(b) Reserve movements of the Company

	Share premium HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	321,958	2,457	74,748	28,551	(407,092)	20,622
Loss for the year	–	–	–	–	(30,217)	(30,217)
Currency translation differences	–	(392)	–	–	–	(392)
At 31 December 2024 and 1 January 2025	321,958	2,065	74,748	28,551	(437,309)	(9,987)
Loss for the year	–	–	–	–	(9,929)	(9,929)
Currency translation differences	–	4,845	–	–	–	4,845
Share option lapsed	–	–	(32,895)	–	32,895	–
At 31 December 2025	321,958	6,910	41,853	28,551	(414,343)	(15,071)

37. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2025, the Convertible Notes was matured on 17 July 2025 and were neither repaid nor converted into shares upon maturity, constituting an event of default. Upon maturity, the outstanding balance of the Convertible Notes was reclassified from convertible notes (Note 29) to other borrowings (Note 28).

38. EVENTS AFTER THE REPORTING PERIOD

In addition to those disclosed elsewhere in the consolidated financial statements, the following event took place after the end of the reporting period:

On 19 May 2026, the Company and the New Noteholder entered the Fourth Supplemental Agreement to revise the terms of the Convertible Notes. Pursuant to the Fourth Supplemental Agreement. Details please refer to Note 29.

The Fourth Supplemental Agreement is subject to certain conditions to be fulfilled by the contracting parties, including the approval by the shareholders of the Company at extraordinary general meeting ("EGM"). As at the date of approval of these consolidated financial statements, the Company has not yet determined the date of the EGM; accordingly, the completion of the Fourth Supplemental Agreement has not taken place.

* For identification purpose only

Financial Summary

	Year ended 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
RESULTS					
Revenue	11,010,520	150,286	1,311,246	1,275,339	1,389,219
Profit/(loss) for the year	74,136	(40,785)	1,044	(21,862)	(14,101)
Attributable to:					
Owners of the Company	94,295	(31,913)	(24,256)	(22,602)	(19,337)
Non-controlling interests	(20,159)	(8,872)	25,300	740	5,236
	74,136	(40,785)	1,044	(21,862)	(14,101)
	At 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
ASSETS AND LIABILITIES					
Total assets	1,028,982	520,663	304,734	324,198	365,874
Total liabilities	(866,623)	(419,397)	(218,940)	(257,186)	(312,335)
Shareholders' funds	162,359	101,266	85,794	67,012	53,539
Equity attributable to owners of the Company	190,588	114,026	84,755	59,876	42,413
Non-controlling interests	(28,229)	(12,760)	1,039	7,136	11,126
	162,359	101,266	85,794	67,012	53,539