TITANS

China Titans Energy Technology Group Co., Limited
中國泰坦能源技術集團有限公司*

Incorporated in the Cayman Islands with members' limited liability

Stock Code : 2188

2025 ANNUAL REPORT

* For identification purpose only

CONTENTS

CORPORATE INFORMATION

Directors	Executive Directors Mr. Gao Xia *(Chairman)* Mr. Li Xin Qing Mr. Tao Chen Mr. An Wei *(Chief Executive Officer)* Non-executive Director Ms. Meng Yao Independent non-executive Directors Mr. Li Xiang Feng Mr. Liu Wei Ms. Jiang Yan
Audit Committee	Ms. Jiang Yan *(Committee Chairman)* Mr. Li Xiang Feng Mr. Liu Wei
Remuneration Committee	Mr. Li Xiang Feng *(Committee Chairman)* Mr. Liu Wei Ms. Jiang Yan
Nomination Committee	Mr. Gao Xia *(Committee Chairman)* Mr. Li Xiang Feng Ms. Jiang Yan
Authorised Representatives	Mr. Gao Xia Ms. Ho Wing Yan
Company Secretary	Ms. Ho Wing Yan
Auditor	SHINEWING (HK) CPA Limited
Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands

CORPORATE INFORMATION

Principal Place of Business and Address of Headquarters in the PRC	Building G1 South Section of The High and New Technology Factory Renhe Road Caofeidian Industrial District Tangshan Hebei Province The People's Republic of China
Principal Place of Business in Hong Kong	Suite 2703, 27/F., Shui On Centre Nos. 6-8 Harbour Road Wanchai 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
Legal Adviser	*As to Hong Kong law:* Anthony Siu & Co. 18th Floor Nine Queen's Road Central Hong Kong
Principal Banker	Bank of Communications Zhuhai Jida Sub-branch 1/F, Zhong Dian Tech Building Jida Jiuzhou Road The PRC
Stock Code	2188
Website	www.titans.com.cn

FINANCIAL HIGHLIGHTS

OPERATING FIGURES FOR THE PAST FIVE YEARS

For the year ended 31 December	**2025 RMB'000**	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	**410,475**	392,249	374,277	344,848	337,344
Gross profit	**106,739**	102,520	107,802	110,319	114,421
Profit (loss) for the year attributable to owners of the Company	**(32,839)**	(45,383)	(43,979)	(18,227)	18,595
Total comprehensive income (expense) for the year attributable to owners of the Company	**(31,098)**	(49,136)	(54,410)	(22,044)	17,181
Earnings (loss) per share					
Basic	**RMB(0.022)**	RMB(0.030)	RMB(0.034)	RMB(0.020)	RMB0.020
Diluted	**RMB(0.022)**	RMB(0.030)	RMB(0.034)	RMB(0.020)	RMB0.020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PAST FIVE YEARS

As at 31 December	**2025 RMB'000**	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	**1,038,828**	1,020,697	1,078,847	906,964	866,432
Non-current assets	**226,211**	221,823	225,108	246,224	255,425
Current assets	**812,617**	798,874	853,739	660,740	611,007
Total liabilities	**500,676**	451,686	460,210	404,361	343,513
Current liabilities	**388,018**	386,403	394,858	337,865	282,155
Net current assets	**424,599**	412,471	458,881	322,875	328,852
Net assets	**538,152**	569,011	618,637	502,603	522,919

FINANCIAL HIGHLIGHTS

FINANCIAL INDICATORS FOR THE PAST FIVE YEARS

For the year ended 31 December	2025	2024	2023	2022	2021
Inventory turnover [1] (days)	**202**	211	253	240	194
Trade and bills receivables turnover [2] (days)	**275**	283	261	269	250
Trade and bills payables turnover [3] (days)	**171**	207	250	223	177
Current ratio [4] (times)	**2.09**	2.07	2.16	1.96	2.17
Gearing ratio [5] (%)	**24.59**	20.55	14.51	18.14	18.90
Return on equity [6] (%)	**(5.11)**	(8.55)	(7.22)	(3.71)	3.64

Notes:

(1) Inventory turnover equals the average of inventories at the beginning and the ending of the year divided by cost of sales, and multiplied by 365.

(2) Trade and bills receivables turnover equals the average of trade and bills receivables at the beginning and the ending of the year divided by revenue and 1+13% value added tax (as trade and bills receivables include the value added tax receivables from customers), and multiplied by 365.

(3) Trade and bills payable turnover equals the average of trade and bills payables at the beginning and ending of the year divided by cost of sales and 1+13% value added tax (as trade and bills payables include the value added tax payable to suppliers), and multiplied by 365.

(4) Current ratio is current assets divided by current liabilities.

(5) Gearing ratio equals bank and other borrowings divided by total assets, and multiplied by 100%.

(6) Return on equity is profit (loss) attributable to owners of the Company divided by equity attributable to owners of the Company, and multiplied by 100%.

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board (the “Board”) of directors of China Titans Energy Technology Group Co., Limited (中國泰坦能源技術集團有限公司) (the “Company”) and its subsidiaries (collectively the “Group”), I hereby present the results and development of the Company and its subsidiaries for the year ended 31 December 2025 to all shareholders.

Reviewing 2025, the global energy transformation continued to deepen, and China’s new energy vehicle industry, as a national strategic emerging industry, maintained strong development momentum. The number of new energy vehicles in China exceeded 43 million, and the market scale reached a new high. Regarding charging infrastructure, the number of new charging infrastructure was approximately 7,274,000 units for the full year of 2025, representing a year-on-year increase of approximately 72.3%. Among them, the number of newly installed public charging infrastructure was approximately 1,138,000 units, representing a year-on-year increase of approximately 33.4%, while the number of newly installed private charging infrastructure built with vehicles was approximately 6,136,000 units, representing a year-on-year increase of approximately 82.2%. The ratio of charging piles to vehicles improved from 1:2.7 in 2024 to 1:1.9, and the pace of charging infrastructure construction became more in line with the growth rhythm of new energy vehicles.

At the policy level, the state continued to improve the construction of charging infrastructure, and focused on extending charging network coverage to counties, towns and expressways, providing a strong policy guarantee for the realisation of the “Dual-Carbon” objective. The industry accelerated its transition from “quantitative expansion” to “qualitative leap”. High value-added technologies such as high-power liquid-cooled supercharging, V2G (Vehicle-to-Grid) and intelligent operation and maintenance accelerated their implementation and application, leading to a profound adjustment of the market structure.

During the Reporting Period, the Group achieved revenue of approximately RMB410,475,000, representing a year-on-year increase of approximately 4.65%. The Group strictly controlled its expenses and implemented measures to increase revenue and reduce expenditure, resulting in a significant decrease in overall expenses as compared to the same period last year. Despite the impact of multiple challenges in the domestic economic operation coupled with intensified market competition in the new energy vehicle industrial chain, the Group’s overall operation improved. During the Reporting Period, by virtue of its years of technical accumulation and product reputation, the Group maintained a relatively stable market position in the charging equipment market. During the year, the Group also actively seized the opportunities of the rapid development of the new energy heavy truck market, made an active strategic layout in the field of heavy truck charging equipment, and achieved positive progress in relevant businesses.

Looking forward to 2026, against the background of the continuous strengthening of national macro policies and the in-depth implementation of green and low-carbon development strategies, the construction of new energy infrastructure is embracing an unprecedented period of development opportunities, becoming an important support for promoting energy structure transformation and assisting in the realisation of the “Dual-Carbon” objective. Currently, the market penetration rate of new energy vehicles is climbing steadily, the favourable policies for charging infrastructure continue to be refined and deepened, and the pace of collaborative construction of distribution networks and new energy infrastructure continues to accelerate. The charging industry chain has gradually transformed from scale expansion to quality improvement, entering a new stage of high-quality development. Meanwhile, the energy storage sector, as a key pillar for supporting the construction of new power systems and ensuring the safe and stable supply of energy, is in a strategic window period of rapid demand release and accelerated industrial upgrading, with enormous development potential.

CHAIRMAN'S STATEMENT

Under the guidance of the national "Dual-Carbon" strategic objective, the domestic energy storage market mechanism has been continuously improved, and the power system reform has continued to deepen, providing broad policy space and a market stage for the Group's development. The Group will resolutely implement the national energy strategic deployment and shoulder the responsibility of green development. We will leverage our deep accumulation and core advantages in power electronic technology, as well as the research, development and application of new energy storage systems. Building upon the steady growth of our existing business scale, we will further enhance our capabilities in business undertaking, technological innovation and project delivery within the energy storage sector, promote the complementary advantages and synergistic development of state-owned and private capital, and strive to achieve high-quality development for the Group.

On the one hand, the Group will focus on its core business and main responsibilities, continuing to deepen the integration of distributed energy storage systems with charging networks to effectively achieve flexible regulation on the load side and efficient consumption of clean power, thereby helping to improve energy efficiency. On the other hand, we will proactively seize market opportunities to expand into diversified application scenarios such as grid-side energy storage, industrial and commercial user-side energy storage, and regional shared energy storage, synergising state-owned and private development to effectively enhance the stability and economic efficiency of green power supply.

Looking ahead, the Group will consistently uphold the industrial ecological philosophy of open cooperation and win-win synergy, deepen the coordination between state-owned and private enterprises, and actively integrate premium resources across the upstream and downstream industrial chains. By strengthening strategic cooperation with industry partners, we are committed to forging an integrated "vehicle-pile-storage-network" intelligent energy ecosystem, continuously enhancing our core competitiveness and sustainable development capabilities to make greater contributions to the national green energy transformation and the achievement of the "Dual-Carbon" objective.

Last but not least, on behalf of the Board, I would like to express my heartfelt gratitude to all shareholders for their understanding and support over the past year. I would also like to thank all our colleagues in the Group for the resilience and commitment they demonstrated in a challenging operating environment. With the vast potential of the new energy industry ahead of us, Titans will live up to expectations and advance with determination.

Chairman
Gao Xia

Hong Kong, 20 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2025 (the "Reporting Period"), the Group recorded revenue of approximately RMB410,475,000, representing an increase of approximately 4.65% over that of last year. Revenue was mainly derived from the Group's principal businesses including various products such as direct current power system products (the "DC Power System products" or "electrical DC products"), charging equipment for electric vehicles and charging services for electric vehicles. The table below shows the revenue of different series of products of the Group for the years ended 31 December 2025 and 2024:

	For the year ended 31 December			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Electrical DC products	**143,065**	**34.85**	144,473	36.83
Charging equipment for electric vehicles	**236,927**	**57.73**	224,584	57.26
Charging services for electric vehicles	**22,871**	**5.57**	22,998	5.86
Others	**7,612**	**1.85**	194	0.05
Total	**410,475**	**100**	392,249	100

In 2025, the Group recorded a loss attributable to owners of the Company and total comprehensive expense attributable to owners of the Company of approximately RMB32,839,000 and RMB31,098,000, respectively, representing a decrease of approximately RMB12,544,000 and a decrease of approximately RMB18,038,000 as compared to the loss of approximately RMB45,383,000 and the total comprehensive expense of approximately RMB49,136,000 of last year.

As compared to 2024, the decrease in loss of the Group for 2025 was mainly due to: (1) the decrease in expenses during the Reporting Period; and (2) the reversal of impairment losses on trade receivables.

Electrical DC products

During the Reporting Period, the Group's revenue of the electrical DC product was approximately RMB143,065,000, representing a decrease of approximately 0.97% over 2024.

Charging equipment for electric vehicles

During the Reporting Period, the Group's revenue of the charging equipment for electric vehicles amounted to approximately RMB236,927,000, representing an increase of approximately 5.50% over 2024. The Directors are of the view that the Group's revenue increased during the Reporting Period as a result of the further development of the new energy vehicle industry and the rising demand for charging equipment projects in various regions of China.

MANAGEMENT DISCUSSION AND ANALYSIS

Charging services for electric vehicles

During the Reporting Period, the Group recorded revenue from charging services for electric vehicles of approximately RMB22,871,000, representing a decrease of approximately 0.55% as compared to that recorded in 2024. The Directors are of the view that the decrease in revenue from electric vehicle charging services was mainly due to the decrease in charging volume at some of the public transport charging stations, which resulted in the decrease in revenue from the Company's charging services business.

Others

During the Reporting Period, the Group's revenue of other businesses amounted to approximately RMB7,612,000, being the income from the distribution of electronic and electrical equipments, representing a significant increase in other income as compared to that recorded in 2024.

Major operating activities in 2025:

In 2025, amid complex shifts in the global economic landscape and profound adjustments to China's industrial structure, the Group maintained its overarching principle of pursuing progress while ensuring stability. During the Reporting Period, benefiting from the continuous implementation of national consumer goods replacement policies, targeted local consumption promotion initiatives, and the new energy vehicle outreach campaigns organized by relevant authorities, China's new energy vehicle industry chain demonstrated strong resilience and vitality. Charging infrastructure development and the end-user consumption market achieved positive interaction and sustained growth throughout the year.

Throughout 2025, the new energy vehicle market reached unprecedented scale. According to statistics from the China Association of Automobile Manufacturers, China's new energy vehicle sales hit 16,490,000 units for the whole year, accounting for 47.9% of total new vehicle sales. Domestic sales of new energy vehicles reached 13,875,000 units.

In 2025, the construction of supportive charging infrastructure in China continued to accelerate. According to the latest statistics released by the China Electric Vehicle Charging Infrastructure Promotion Alliance, the number of charging infrastructure increased by 7,274,000 units in 2025, representing a year-on-year increase of 72.3%, of which public charging piles increased by 1,138,000 units, representing a year-on-year increase of 33.4%. The private charging piles built with vehicles increased by 6,136,000 units, representing a year-on-year increase of 82.2%. As of 31 December 2025, the cumulative number of charging infrastructure nationwide was 20,092,000 units, representing a year-on-year increase of 49.7%. The piles to vehicle incremental ratio remained within the reasonable range of 1:1.9, and the charging infrastructure network as a whole was capable of matching the rapid development needs of new energy vehicles.

In respect of electric power, the data released by the National Energy Administration indicated that China's total electricity consumption reached 10,368.2 billion kWh in 2025, representing a year-on-year increase of 5.0%. Electricity consumption growth has remained generally stable, reflecting the resilience of economic operations.

During the Reporting Period, the Group achieved revenue from the principal business of approximately RMB410,475,000, representing a year-on-year increase of 4.65%. The Group strictly controlled expenses, increased revenue and reduced costs, resulting in a significant overall decrease in expenses compared to the same period last year. Despite facing multiple challenges in the domestic economy and intensified market competition within the new energy vehicle industry chain, the Company's overall operating performance improved. The main operating conditions are set out as below:

MANAGEMENT DISCUSSION AND ANALYSIS

Segment Review

1. Electrical DC products

In 2025, the Group's electrical DC products recorded a revenue of approximately RMB143,065,000, basically maintaining at the same level as the same period last year. During the Reporting Period, the management continued to advance a dual-drive strategy of "direct sales + agency": direct sales focused on deepening engagement with core customers and key projects, while agency channels strengthened regional coverage and project outreach to enhance customer acquisition efficiency and operational resilience.

The Group's client base primarily covers customers within the power grid system and related industrial chains, while continuously expanding into new energy and integrated energy sectors. The management implements tiered customer segmentation and key account management mechanisms to enhance coverage depth and service capabilities for core clients. Projects are managed through tiered order classification and milestone tracking to improve execution control.

In terms of application scenarios and key project types, the Group is consolidating its traditional power scenarios while strategically focusing on the evolving needs of new power systems and renewable energy. Projects span grid-side and power-source infrastructure, renewable energy generation and supporting works, pumped storage and regulating power projects, as well as integrated energy solutions like photovoltaic storage and charging systems for end-user scenarios. The Company will continue to advance its dual-track strategy of "standardized platforms + project-specific adaptations" to improve project implementation efficiency.

2. Charging and power-replacing equipment for electric vehicles

During the Reporting Period, the charging equipment for electric vehicles of the Group achieved revenue of approximately RMB236,927,000, representing a year-on-year increase of 5.50%. Amid intensifying competition and adjustments to customer procurement cycles, the Group's charging and power-replacing equipment for electric vehicles business shows a slowdown in business growth. However, the overall operation continued to demonstrate resilience. By continuously enhancing closed-loop management throughout the entire product lifecycle, the Group elevated order quality and operational stability.

i. Product Structure and Demand Trends

With the advancement of commercial vehicle electrification and accelerated development of charging infrastructure, market demand for high-power solutions, heavy-duty truck charging, and split-system solutions continued to grow. The Group continued to refine its product portfolio around integrated and split-system solutions, iterating on system cascading, multi-gun output, scenario-based configuration, and engineering adaptability to enhance delivery capabilities and operational stability in high-power scenarios such as heavy-duty trucks, industrial parks, and trunk line charging. During the construction of projects like the integrated energy station for battery charging and swapping of heavy-duty trucks in Caofeidian, Hebei Province, the Group further validated the engineering adaptability and system stability of its high-power equipment. Meanwhile, the Group maintained a focus on cutting-edge areas such as vehicle-to-grid (V2G) interactions, preserving product and software capability reserves to adapt to future application expansion and evolving demands.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group's self-developed DC charging poles successfully passed the rigorous review conducted by the China Quality Certification Center, a national accreditation body, and obtained the China Compulsory Certification (hereinafter referred to as CCC). This significant milestone signifies that Titan's core technologies, product quality, and safety performance in the charging areas have received authoritative recognition from the national authority.

ii. Key Application Scenarios and Strategic Region Expansion

Focusing on high-frequency charging scenarios for heavy-duty trucks, the Group successfully commissioned charging facilities at two heavy-duty truck charging stations in Henan during the Reporting Period. Among these, the Hongwei Heavy-Duty Truck Charging Station in Huixian City is equipped with a Titan 2.56-megawatt ultra-high-power main unit. Through high-power equipment configuration and intelligent system design, it can simultaneously meet the rapid charging needs of multiple electric heavy-duty trucks, significantly improving the transportation efficiency of electric heavy-duty trucks and providing strong support for the implementation of the national "dual carbon" goals. In market expansion, the Group continued to deepen cooperation with core clients, leveraging stable product performance, delivery efficiency, and after-sales responsiveness to secure repeat purchases and project expansion opportunities. Through focused regional development and replication of benchmark projects, we enhanced penetration rates and project acquisition capabilities among clients in key provinces and cities.

3. Charging services for electric vehicles

In 2025, revenue from charging services for electric vehicles amounted to approximately RMB22,871,000. During the Reporting Period, the Group's charging service business continued to pursue its "light-asset, heavy-operation" transformation strategy. By optimizing site structures and strengthening franchise and managed service partnerships, the Group enhanced network expansion efficiency and capital utilization. On the platform side, progress was made in expanding franchisee networks and optimizing site and equipment structures. Dynamic adjustments were implemented for certain underperforming sites to improve overall operational quality and resource efficiency.

i. Platform Operations and User Operations

During the Reporting Period, the Group continued to optimize platform capabilities and service quality in operational efficiency and user engagement. On one hand, it advanced interoperability and third-party channel partnerships to enhance traffic acquisition and user reach, thereby improving conversion efficiency. On the other hand, it strengthened customer service and work order systems to boost issue response timeliness and closed-loop efficiency, thereby increasing user retention and service reputation. These initiatives helped the Group maintain competitiveness as the industry enters a phase of refined operations, while continuously elevating site operational quality and service experience.

MANAGEMENT DISCUSSION AND ANALYSIS

ii. Service Assurance and Precision Operations

During the Reporting Period, as the scale of existing equipment expanded, the Group continued to refine its operations and maintenance management system. We strengthened regional service capabilities, spare parts support, and remote diagnostics capacity building. By leveraging work order data to inform product improvements and optimize maintenance strategies, we enhanced equipment stability and site availability. Simultaneously, the Group further strengthened monitoring and analytical capabilities throughout operational processes. It conducted ongoing inspections of existing sites and equipment to identify and rectify potential risks, reinforced quality management across the entire product lifecycle, and ensured the stability of operational services.

4. Product R&D and Iteration

In the electrical product segment, the Group advanced the development of its testing and verification system, strengthened standards and consistency verification requirements for the introduction of key components and modules, and enhanced supply chain onboarding quality and product stability. It also continuously responded to customer engineering change requests, improving the collaborative efficiency among R&D, engineering, and delivery teams.

In the field of charging piles for electric vehicles, the Group continued to refine its product portfolio and enhance high-power system capabilities, advancing engineering optimization and scenario adaptation. On the software side, it is improving periodic iteration mechanisms while advancing the construction of an upgraded operations and maintenance platform and device connectivity to enhance remote maintenance and data-driven operational capabilities.

Meanwhile, the Group continued to advance the development of integrated energy systems encompassing photovoltaic storage, charging, direct current, and flexible solutions, alongside energy management strategies and cloud platform capabilities. This effort established replicable system design and delivery methodologies, laying the groundwork for future expansion of similar projects.

5. Production, Supply Chain, and Cost Control

During the Reporting Period, the Group continued to advance product cost optimization and supply chain governance. By refining material selection and configuration, introducing competitive suppliers and alternative solutions, and strengthening price linkage and procurement strategy management, the Group enhanced its bargaining power and delivery assurance capabilities.

Meanwhile, the Group continued to enhance quality management for procurement delivery and incoming materials, strengthen supplier tiering and performance evaluation mechanisms, and promote stable supply and consistency control for critical materials.

In manufacturing and delivery, the Group continuously optimized production organization and process flows, strengthened in-process quality control and pre-shipment verification, and enhanced first-pass yield in critical stages such as assembly, wiring, unboxing, and handover inspection. Through production scheduling coordination and delivery planning management, we improve delivery stability and predictability.

MANAGEMENT DISCUSSION AND ANALYSIS

Future business prospect and plans

Looking ahead to 2026, new energy infrastructure development is poised to seize unprecedented opportunities amid sustained policy support from national macro-level initiatives. With nationwide electricity demand maintaining robust growth and the acceleration of green energy transition, State Grid's fixed-asset investment during the 15th Five-Year Plan period (The 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China) is projected to reach RMB4 trillion, representing a 40% increase over the 14th Five-Year Plan. Funding will prioritize areas such as ultra-high-voltage DC transmission corridors and smart distribution grids. China's charging infrastructure policy orientation has shifted comprehensively from "purely pursuing scale expansion" to "high-quality development, standardization upgrades, market penetration in lower-tier cities, and vehicle-grid interaction innovation". First, six ministries including the National Development and Reform Commission issued the "Three-Year Action Plan for Doubling Electric Vehicle Charging Facility Service Capacity (2025-2027)", setting a target of 28 million charging facilities nationwide by the end of 2027, providing over 300 million kilowatts of public charging capacity. Second, the General Administration of Public Property explicitly requires public institutions such as state organs and public institutions to allocate at least 25% of their parking spaces for charging, with DC fast-charging stations ideally accounting for 20%-40% of these spaces, thereby releasing substantial public procurement demand. Additionally, China has fully implemented mandatory product certification and new energy efficiency standards for electric vehicle power supply equipment, accelerating the elimination of outdated production capacity and promoting standardized industry development.

Against this backdrop, the Group will continue to capitalize on the structural opportunities arising from the construction of the new power system, the upgrading of charging infrastructure, and the transition toward carbon peak and carbon neutrality. Moving forward, relatively steady investment in power grids and critical infrastructure will drive sustained demand for DC power supplies, AC power supplies, uninterruptible power supply (UPS) systems, communication power supplies, and related monitoring and data acquisition products. Concurrently, the continued growth in overseas power grid investment and energy infrastructure development will open up broader market opportunities.

Facing an external environment characterized by persistent high industry competition, increasingly mature bidding mechanisms, and heightened customer expectations for quality and delivery, the Group will pursue a core operational strategy centered on "leveraging policy opportunities, achieving breakthroughs in market challenges, optimizing resource allocation, and strengthening cost barriers". We remain steadfast in advancing our dual-track strategy of "prioritizing both growth and quality", striving to ensure that our 2026 operational trajectory is more predictable, our execution pace clearer, and our improvement outcomes more measurable.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Marketing

The Group will continue to focus on power grid and key industry clients as its core, pursuing project acquisition and deepening operations around its core client system. It will strengthen direct sales and channel coordination to enhance the stability and continuity of client coverage. In regional expansion, it will leverage key areas to advance localized operations and replicate best practices, utilizing regional subsidiaries' strengths in client coordination, resource integration, and on-site organization to gradually penetrate untapped regions and secure critical project opportunities. Targeting growth opportunities in new energy and integrated energy, the Group will advance the implementation and commercialization of projects including energy storage power stations, integrated energy stations, as well as charging and swapping facilities. By 2026, energy storage will become a strategic priority, leveraging existing expertise in system integration, core equipment, and technical solutions to unlock greater project execution and delivery capabilities in this sector. Simultaneously, the Group will prioritize integrated energy solution collaborations with large industrial enterprises, public institutions, and industrial park clients. This will expand business opportunities in energy storage system, as well as charging and swapping equipment supply, engineering implementation, and operational partnerships. For overseas operations, the Group will adhere to prudent advancement and risk control principles, prioritizing projects with controllable delivery, clear terms, and replicable models. This approach will progressively enhance channel development and localized service capabilities.

2. Products and Technology

The Group will continue advancing the platformization and series development of its products, promoting unified software architecture to enhance R&D reuse rates, manufacturing consistency, and maintenance convenience. This will establish a clearer product lineage and more controllable iteration cycles. We will further refine the series development of our universal monitoring platform and data acquisition systems, focusing on application scenarios such as DC power supplies, AC power supplies, uninterruptible power systems, and communication power supplies to improve system integration efficiency and delivery replicability. Addressing new standards and emerging scenarios, the Group will enhance solution capabilities for lithium-ion battery DC systems, backup power supplies, and parallel systems, improving adaptability and engineering maturity. We will also intensify R&D and engineering implementation around key technologies including energy storage converters, fast mechanical switches, and battery management systems, thereby strengthening our comprehensive competitiveness in energy storage and power quality management applications. For charging and swapping equipment, we will continuously improve product engineering adaptability and system stability for typical scenarios like high-power top-ups. We will also enhance capabilities in remote operation and maintenance and online upgrades to support equipment delivery and subsequent operations.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Quality and Delivery

The Group will prioritize quality and delivery reliability in its operational management, continuously refining the end-to-end quality closed-loop mechanism. We will strengthen process control and verification requirements across critical stages—design, incoming materials, production, factory release, and field deployment—enhancing issue traceability and verifiable corrective actions while reducing failure rates and operational maintenance costs. For project delivery, we will strengthen tiered project management and milestone control, enhance cross-disciplinary collaboration and joint commissioning capabilities, and ensure the delivery schedule and operational readiness of key projects such as energy storage power stations, integrated energy stations, and charging/swapping facilities remain under control. For the supply chain, we will refine tiered supplier management and critical material assurance mechanisms to improve supply stability and cost control, while enhancing fulfillment certainty and response efficiency. Regarding safety management, we will continuously improve the safety management system and on-site compliance requirements to ensure the safe and stable operation of both construction and operational projects.

4. Cost and Efficiency

The Group will continue to advance systematic cost reduction and efficiency enhancement, implementing full-chain optimization from design selection and procurement strategies to manufacturing efficiency and inventory turnover. This will support market competitiveness and project delivery with a healthier cost structure, while strengthening budget and process controls to improve capital utilization efficiency and operational resilience. Regarding operational efficiency, we will advance process optimization and digital tool adoption to enhance cross-departmental collaboration and management precision. We will also explore AI applications in data processing, proposal development, quality traceability, and knowledge retention to boost organizational responsiveness and knowledge reuse capabilities. Regarding business models and operational management, the charging service business will continue advancing under the "light-asset, heavy-operation" approach. Network expansion efficiency will be enhanced through franchise and managed partnership models, site structure optimization, and refined operational execution. Service fee pricing and dynamic adjustment mechanisms will be refined based on market research to improve operational quality. Internally, we will continuously refine our institutional framework and information integration to strengthen data-driven decision-making. Key efforts will be put on enhancing accounts receivable management and cash flow process control to improve risk identification and mitigation capabilities. Additionally, we will bolster talent pipeline development and organizational synergy to elevate our capacity for developing, delivering, and operating services in energy storage, integrated energy solutions, and battery charging and swapping.

In 2026, the Group will drive business growth through clearer strategic focus, more stable delivery capabilities, systematic quality improvements, and stricter cost control. As the benefits of product platformization materialize, key market strategies are implemented, and organizational synergy efficiency increases, the Group's future growth trajectory will become clearer, operational resilience will strengthen, and long-term competitive advantages will gradually solidify.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our revenue increased from approximately RMB392,249,000 for the year ended 31 December 2024 to approximately RMB410,475,000 for the year ended 31 December 2025, representing an increase of approximately 4.65%. The main reason for the increase in the Group's revenue is that during the Reporting Period, Chinese economy showed a steady and optimistic trend, and maintained steady growth, while market demand ramped up rapidly. In view of the changes in the market environment, the Group adjusted the sales policy, incentivized the sales personnel, and provided reliable products and professional integrated services that were widely recognized by the market and customers, resulting in an increase in the revenue of the Group compared with last year. Among which, electrical DC products decreased by approximately 0.97%, charging equipment for electric vehicle increased by approximately 5.50%, charging services for electric vehicles decreased by approximately 0.55% and others increased by approximately 3,823.71%.

Cost of sales

Our cost of sales, which mainly included raw material costs, direct labour costs and manufacturing expenses, increased by approximately 4.83% from RMB289,729,000 for the year ended 31 December 2024 to RMB303,736,000 for the year ended 31 December 2025. The increase in cost of sales was mainly attributable to the increase in revenue during the Reporting Period.

Gross Profit

The table below sets out our gross profit and gross profit margin for the years ended 31 December 2025 and 2024:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Gross profit RMB'000	**Percentage of total gross profit %**	**Gross profit margin %**	Gross profit RMB'000	Percentage of total gross profit %	Gross profit margin %
Electrical DC products	**26,346**	**24.69**	**18.42**	23,442	22.87	16.23
Charging equipment for electric vehicles	**78,260**	**73.32**	**33.03**	77,705	75.79	34.60
Charging services for electric vehicles	**1,176**	**1.10**	**5.14**	1,322	1.29	5.75
Others	**957**	**0.89**	**12.58**	51	0.05	26.29
Total/average	**106,739**	**100**	**26.00**	102,520	100	26.14

MANAGEMENT DISCUSSION AND ANALYSIS

Our gross profit increased by approximately 4.12% from RMB102,520,000 for the year ended 31 December 2024 to RMB106,739,000 for the year ended 31 December 2025. Our gross profit margin decreased from approximately 26.14% for the year ended 31 December 2024 to approximately 26.00% for the year ended 31 December 2025. The decrease in gross profit margin as compared to that of the corresponding period of last year was primarily due to the intensified market competition in respect of the sales of charging equipment products for electric vehicle during the Reporting Period, resulting in the adjustment of the product pricing by the Company.

Other revenue and income

Our other revenue, which mainly included VAT refunds, government grants and bank interest income, increased by approximately RMB7,230,000 from RMB4,292,000 for the year ended 31 December 2024 to RMB11,522,000 for the year ended 31 December 2025.

The increase in other revenue of the Group was mainly attributable to the combined effects of factors such as the increase in subsidies received from the government in 2025.

Selling and distribution expenses

Our selling and distribution expenses, which mainly comprised the relevant expenses in sales and after-sales services, salaries of sales personnel, benefits and travelling expenses, and office expenses, entertainment expenses and other expenses, decreased by approximately 27.97% from RMB74,426,000 for the year ended 31 December 2024 to RMB53,604,000 for the year ended 31 December 2025. Our selling and distribution expenses as a percentage of revenue decreased from approximately 18.97% for the year ended 31 December 2024 to approximately 13.06% for the year ended 31 December 2025. The decrease in the Group's selling and distribution expenses was mainly due to the following integrated factors during the Reporting Period: (1) sales-related expenses such as salaries, travelling and entertainment expenses decreased by approximately RMB15,230,000; (2) sales-related fees such as bid-winning services fees decreased by approximately RMB2,467,000; (3) sales-related expenses such as office and advertising expenses decreased by approximately RMB444,000; (4) sales-related expenses such as transportation, installing and testing expenses decreased by approximately RMB23,000; and (5) sales-related expenses such as amortization, depreciation and other miscellaneous expenses decreased by approximately RMB2,658,000.

Administrative and other expenses

Our administrative and other expenses, which mainly comprised, inter alia, management and back office staff costs, research and development expenses, travelling expenses and entertainment expenses, and foreign exchange gain and loss etc., decreased by approximately 13.08% from RMB88,621,000 for the year ended 31 December 2024 to RMB77,026,000 for the year ended 31 December 2025. Our administrative and other expenses as a percentage of revenue decreased from approximately 22.59% for the year ended 31 December 2024 to approximately 18.77% for the year ended 31 December 2025. The decrease of approximately RMB11,595,000 in our administrative and other expenses during the Reporting Period was mainly due to the following integrated factors: (1) expenses such as salaries, research and development and depreciation expenses relating to management decreased by approximately RMB14,053,000; (2) bank charges and payment to lawyers and professionals decreased by approximately RMB5,242,000; (3) expenses such as office, maintenance, consumables, subscription and utility expenses relating to management decreased by approximately RMB793,000; (4) amortization and other sundry expenses increased by approximately RMB6,821,000; (5) expenses such as benefits, travelling and entertainment expenses relating to management increased by approximately RMB896,000; and (6) rental, transportation and other taxes increased by approximately RMB776,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Share of results of associates

As at 31 December 2025, the Group owned 20% (as at 31 December 2024: 20%) equity interests in Qingdao Titans Yilian New Energy Technology Co., Limited* (青島泰坦驛聯新能源科技有限公司) ("Qingdao Titans"). Qingdao Titans is engaged in the construction of charging network for electric vehicles, as well as the sale, lease and maintenance business of electric vehicles. Qingdao Titans was accounted for as the Group's associate, and the Group's share of loss from Qingdao Titans during the Reporting Period was approximately RMB260,000.

As at 31 December 2025, the Group owned 9.4% (as at 31 December 2024: 9.4%) equity interests in Guangdong Titans Intelligent Power Co., Ltd* (廣東泰坦智能動力有限公司) ("Guangdong Titans"). Guangdong Titans is principally engaged in the research and development, sales and manufacturing of charging equipment for Automated Guided Vehicles ("AGV"). Guangdong Titans was accounted for as the Group's associate, and the Group's share of loss from Guangdong Titans during the Reporting Period was approximately RMB21,000.

As at 31 December 2025, the Group owned 17% (as at 31 December 2024: 17%) equity interests in Jiangsu Titans Smart Technology Co., Limited* (江蘇泰坦智慧科技有限公司) (formally known as Wuhan Titans Smart Technology Co., Limited (武漢泰坦智慧科技有限公司)) ("Jiangsu Titans"). Jiangsu Titans is primarily engaged in the technology development, technology transfer and technology consultancy of computer software and hardware; computer system integration and networking; development and subcontracting of computer software and sales of computer equipment. Jiangsu Titans is accounted for as an associate of the Group and the Group's share of profit from Jiangsu Titans during the Reporting Period amounted to approximately RMB105,000.

As at 31 December 2025, the Group owned 35% (31 December 2024: 35%) equity interests in Beijing Pangda Yilian New-energy Technology Co., Limited* (北京龐大驛聯新能源科技有限公司) ("Pangda Yilian"). Pangda Yilian is accounted for as an associate of the Group. For the Reporting Period, the Group's share of profit of Pangda Yilian was approximately RMB200,000.

Finance costs

Our finance costs increased by approximately 15.38% from RMB8,598,000 for the year ended 31 December 2024 to RMB9,920,000 for the year ended 31 December 2025. Our finance costs as a percentage of revenue increased from approximately 2.19% for the year ended 31 December 2024 to approximately 2.42% for the year ended 31 December 2025. The increase in our finance costs was mainly due to the increase in the average borrowing costs of borrowings.

Income tax credit (expense)

Our income tax expense was approximately RMB7,098,000 for the year ended 31 December 2025 whereas our income tax credit was approximately RMB6,062,000 for the year ended 31 December 2024. The effective tax rate (being the ratio of income tax credit (expense) to profit (loss) before tax) for the year ended 31 December 2025 was approximately -27.60% (2024: approximately 11.67%).

MANAGEMENT DISCUSSION AND ANALYSIS

Loss attributable to non-controlling interests

For the year ended 31 December 2025, loss attributable to non-controlling interests of the Group's non-wholly owned subsidiaries was approximately RMB387,000 as compared with a loss of approximately RMB490,000 for the year ended 31 December 2024. This amount represents the loss of the Company's non-wholly owned subsidiaries.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the year ended 31 December 2025 was approximately RMB32,839,000 whilst loss attributable to owners of the Company for the year ended 31 December 2024 was approximately RMB45,383,000, representing a decrease of loss of approximately RMB12,544,000.

The reason of the decrease in loss was mainly attributable to: (1) the decrease in expenses during the Reporting Period; and (2) the reversal of impairment losses on trade receivables.

Total comprehensive expense attributable to owners of the Company for the year ended 31 December 2025 was approximately RMB31,098,000 whilst total comprehensive expense for the year ended 31 December 2024 was approximately RMB49,136,000, representing a decrease of approximately RMB18,038,000.

Inventory Analysis

The table below sets out the information on our inventory for the years ended 31 December 2025 and 2024:

	Year ended 31 December			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Raw materials	**9,019**	**4.66**	7,192	5.03
Work-in-progress	**8,208**	**4.24**	6,133	4.29
Finished goods	**176,343**	**91.10**	129,757	90.68
	193,570	**100**	143,082	100

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's inventory balances increased from approximately RMB143,082,000 as at 31 December 2024 to approximately RMB193,570,000 as at 31 December 2025.

Our average inventory turnover days decreased from approximately 211 days for the year ended 31 December 2024 to approximately 202 days for the year ended 31 December 2025. The decrease was due to further management optimisation as a result of increased sales of main products during the Reporting Period.

Analysis on Trade Receivables

As at 31 December 2024 and 2025, our trade receivables (net of allowance) amounted to approximately RMB380,413,000 and approximately RMB318,635,000, respectively. Trade receivables have also decreased by approximately RMB61,778,000.

The table below sets forth the ageing analysis of our trade receivables by date of delivery of goods as of 31 December 2025 and 2024:

	Year ended 31 December 2025		Year ended 31 December 2024	
	Net amount RMB'000	**%**	Net amount RMB'000	%
0 to 90 days	**219,866**	**69.09**	215,345	56.61
91 days to 180 days	**35,078**	**11.03**	38,094	10.01
181 days to 365 days	**32,762**	**10.29**	88,850	23.36
After 1 year but within 2 years	**21,738**	**6.83**	26,216	6.89
After 2 years but within 3 years	**8,793**	**2.76**	11,908	3.13
Total	**318,237**	**100**	380,413	100

Our key product, namely the electrical DC product series, is being supplied to, among others, power generation plants and power grid companies. Sales are recognised upon product delivery which may be before the date when the trade receivables are due for payment. Our customers are only required to pay us the purchase price pursuant to the terms of the sales contracts. In respect of the sale of our electrical DC products, we may require the payment of a deposit of 10% of the total contract sum to be paid after signing the contract, and 80% of the contract sum to be paid by the customer after our products have been delivered and satisfactorily installed and tested. It is normally stipulated in the contract that the balance of 10% will be withheld, being the retention money as a form of product performance surety, and will be paid by the customer to us between 12 to 18 months after on-site installation and testing for the equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

We may grant an average credit period of 90 days from the above installment payment due dates (including the payments of deposit, the payments due after testing and the payments of retention money).

We believe that the longer trade receivables turnover days and the high proportion of overdue trade receivables were mainly due to the fact that some of our customers in the power generation or transmission sectors settle the amounts payable to their suppliers, including us, after the completion of the construction of their whole power generation units or transforming stations.

Whilst we believe it is a special nature of the power electronic market that equipment suppliers will face a relatively long trade receivables turnover, we will continue to monitor, control and speed up the collection of our trade receivables by closely liaising with our customers and monitoring the progress of their projects.

During the Reporting Period, reversal of impairment losses of financial assets in respect of trade receivables amounted to approximately RMB1,677,000 (2024: impairment losses of financial assets in respect of trade receivables amounted to approximately RMB20,339,000).

Analysis on Trade and Bills Payables

As at 31 December 2024 and 2025, our trade and bills payables amounted to approximately RMB155,765,000 (comprising trade payables of approximately RMB106,527,000 and bills payables of approximately RMB49,238,000) and approximately RMB165,994,000 (comprising trade payables of approximately RMB99,294,000 and bills payables of approximately RMB66,700,000, respectively. Trade and bills payables increased by RMB10,229,000. For the years ended 31 December 2024 and 2025, our trade and bills payable turnover days were approximately 207 days and approximately 171 days, respectively.

The table below sets out the ageing analysis of our trade payables as of 31 December 2025 and 2024:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Within 90 days	**69,837**	121,242
91 days to 180 days	**40,937**	21,368
181 days to 365 days	**41,551**	4,800
After 1 year but within 2 years	**10,934**	7,953
After 2 years but within 3 years	**2,735**	402
	165,994	155,765

MANAGEMENT DISCUSSION AND ANALYSIS

Bank and Other Borrowings

The following table sets out our bank and other borrowings as at 31 December 2025 and 2024.

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	RMB'000	**Interest rates**	RMB'000	Interest rates
Current				
Bank borrowings	**146,139**	**3.00% to 5.50%**	150,800	3.85% to 4.50%
Other borrowings	**7,084**	**4.10% to 6.90%**	5,000	4.50% to 7.92%
Non-current				
Bank borrowings	**102,179**	**3.30% to 3.65%**	53,968	5.43%
	255,402		209,768	

As at 31 December 2025, total bank borrowings and other borrowings amounted to approximately RMB255,402,000 (as at 31 December 2024: approximately RMB209,768,000), among which approximately RMB249,663,000 were secured loans (as at 31 December 2024: approximately RMB209,768,000). Borrowings as at 31 December 2025 were subject to the floating interest rates ranging from 3.00% to 6.90% per annum (as at 31 December 2024: from 3.85% to 7.92% per annum).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Use of net proceeds from subscription

On 18 October 2022 (after trading hours), the Company entered into an agreement with 唐山國控科創有限公司 (Tangshan Guokong Science and Technology Limited*) (now known as 唐山國控科創集團有限公司 (Tangshan Guokong Science and Technology Innovation Investment Group Co., Limited*) ("Tangshan Guokong Science and Technology")), the parent company of Tangshan Guokong Science and Technology Innovation Investment Group Co., Limited (唐山國控科技創新投資集團有限公司) (the "Offeror"), a company incorporated in Hong Kong with limited liability, to subscribe for 566,970,000 new ordinary Shares (the "Subscription Shares"). Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and Tangshan Guokong Science and Technology has conditionally agreed to subscribe the Subscription Shares at HK$0.34 per Subscription Share (the "Subscription Price") for a total consideration of HK$192,769,800 (the "Subscription"). The aggregate nominal value of the Subscription Shares is HK$5,669,700. The market price of the Shares of the Company is HK$0.33 per Share as quoted on the Stock Exchange on 18 October 2022, being the date of the Subscription Agreement. The net issue price per Subscription Share will be approximately HK$0.332 per Subscription Share.

MANAGEMENT DISCUSSION AND ANALYSIS

Reasons for the Subscription

In order to seize the opportunities under the PRC national strategy and achieve repaid growth, the Company has to seek financial and market resources during the process of its business expansion. It was considered that the Subscription will expand the Company's shareholder base, and, as a result of which, to further strengthening the market's confidence in the development of the Company in the long run. The date of completion is 11 May 2023 and the net proceeds from the Subscription, after deducting all relevant costs and expenses of the Subscription are approximately HK$188.29 million, and were utilized as follows:

Objective	Percentage of the total amount	Net proceeds HK$ million	Utilised amount as at 31 December 2024 HK$ million	Utilised amount as of 31 December 2025 HK$ million	Unutilised net proceeds as of 31 December 2025 HK$ million
Investments in the expansion of the charging services or electric vehicles business	50%	94.14	42.44	94.14	0
Investments in the expansion of the charging equipment for electric vehicles business	40%	75.32	75.32	75.32	0
General working capital of the Group	10%	18.83	18.83	18.83	0
Total	100%	188.29	136.59	188.29	0

There has been no change in the capital structure of the Group during the year ended 31 December 2025. The capital of the Group only comprises ordinary shares.

As at 31 December 2025, the total equity of the Group amounted to approximately RMB538,152,000 (as at 31 December 2024: approximately RMB569,011,000), the Group's current assets were approximately RMB812,617,000 (as at 31 December 2024: approximately RMB798,874,000) and current liabilities were approximately RMB388,018,000 (as at 31 December 2024: approximately RMB386,403,000). As at 31 December 2025, the Group had bank balances and cash of approximately RMB172,906,000 (as at 31 December 2024: approximately RMB133,861,000), excluding restricted bank balances of approximately RMB21,883,000 (as at 31 December 2024: approximately RMB56,874,000). Our total assets less our total liabilities equals to our net assets, which was approximately RMB538,152,000 as at 31 December 2025 (as at 31 December 2024: approximately RMB569,011,000).

The Group finances its operations with internally generated cash flow and bank borrowings. As at 31 December 2025, the Group had aggregate amount of outstanding bank borrowings and other borrowings of approximately RMB255,402,000 (as at 31 December 2024: approximately RMB209,768,000).

The gearing ratio (i.e. borrowings divided by total assets x 100%) was approximately 24.59% as at 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investment during the year ended 31 December 2025.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2025, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2025 and the date of this annual report, the Group had no material contingent liability.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group had capital expenditure contracted for but not provided in the consolidated financial statements of approximately RMB5,250,000 (as at 31 December 2024: approximately RMB5,250,000) in respect of investment capital.

Save as disclosed above, as at 31 December 2025 and the date of this annual report, the Group did not have other capital expenditure authorised but not contracted for in respect of investment, factory renovation and purchase of equipment.

PLEDGE OF ASSETS

The Group's leasehold land and buildings with carrying amounts of approximately RMB116,526,000 as at 31 December 2025 (as at 31 December 2024: approximately RMB122,900,000) were pledged to secure the bank borrowings and bank facilities.

EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group had 386 employees in total (as at 31 December 2024: 441 employees). During the year ended 31 December 2025, total employees' remuneration amounted to approximately RMB55,531,000 (2024: approximately RMB66,920,000). The remuneration paid to our employees and Directors is based on experience, responsibility, workload and the time devoted to the Group.

The Group participates in various employees' benefit plans such as a retirement benefit scheme and medical insurance. The Group also makes contributions to the retirement fund in compliance in all material respects with the requirements of the laws and regulations of the jurisdictions where it operates.

All PRC-based employees are entitled to participate in a defined contribution basic pension insurance plan in the social security insurance operated by the Ministry of Labour and Social Security of the PRC, and the premium in respect of which is undertaken by the Group and the employees respectively based on percentages fixed by relevant PRC laws. The only obligation of the Group in the PRC with respect to the retirement scheme is the required contributions under the retirement scheme. The Group has no other legal constructive obligations to pay further contributions.

MANAGEMENT DISCUSSION AND ANALYSIS

During the years ended 31 December 2024 and 2025, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 31 December 2024 and 2025, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules.

For the two years ended 31 December 2024 and 31 December 2025, the Group did not have any defined benefit plan.

SHARE OPTION SCHEME

The Company adopted the share option scheme on 8 May 2010 (the "2010 Share Option Scheme") and it has lapsed on 7 May 2020. On 18 December 2020, the Company adopted the 2020 Share Option Scheme (the "2020 Share Option Scheme", together with the 2010 Share Option Scheme, the "Share Option Schemes"). The purpose of the Share Option Schemes is to provide incentives to the eligible persons (including but not limited to employees, officers, agents, consultants or representatives of any members of the Group (including the executive or non-executive directors of any members of the Group)) for their contributions to the Company and to enable the Company to recruit and retain high-calibre employees and attract and retain human resources that are valuable to the Group.

Details of the Share Option Schemes is set out in the section headed "Share Option Schemes" in this annual report.

FOREIGN EXCHANGE

The Group conducts its business primarily in the PRC with substantially all of its transactions denominated and settled in Renminbi. The Group's consolidated financial statements are expressed in Renminbi, whereas the dividends on the shares of the Company (the "Shares"), if any, will be paid in Hong Kong dollars. Thus, any fluctuation of Renminbi could affect the value of the shares.

During the Reporting Period, the Group recorded an exchange loss of approximately RMB7,000 (2024: exchange gain of approximately RMB185,000). Such foreign exchange gain arose as a result of the difference between the exchange rate for accounting purpose on the date of transaction and the exchange rate as at 31 December 2025. As at 31 December 2025, the Group did not have significant foreign exchange hedging.

The Group adopted a prudent approach toward its treasury policies. Our treasury function mainly involves the management of our cash flows. Cash is mainly deposited in banks in Renminbi for working capital purposes. We did not have any material holding in financial securities or foreign exchange (except for business purposes) during the year ended 31 December 2025.

Our accounts department projects monthly cash receipts and plans for cash payments based on the data provided by our marketing management and supporting teams regarding the progress on the customers' projects and relevant payment plans. Subsequently, our accounts department plans for cash payments based on the projections.

The Group strives to reduce exposure to credit risk by performing on-going credit assessments on the financial conditions of its customers. Our sales representatives and other sales staff, together with our sales partners monitor timely as appropriate the development of our customers' projects and communicate with our customers regarding the settlement of our trade receivables.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Gao Xia, born in 1972, is the Chairman, an executive Director and the chairman of the nomination committee of the Company. At present, Mr. Gao is also a director of Grace Technology Development Limited, Titans Holdings Co., Limited, Zhuhai Titans Power Electronics Company Limited* (珠海泰坦電力電子集團有限公司) ("Titans Power Electronics"), the legal representative and chairman of Hebei Titans New Energy Development Group Co., Ltd.* (河北泰坦新能源發展集團有限公司) ("Hebei Titans"), the above of which all are subsidiaries of the Company. He has over 20 years of management experience. Mr. Gao worked in the United States of America in the earlier stage of his career. From May 2012 to January 2022, Mr. Gao successively served as assistant to the general manager, deputy general manager, deputy secretary of the party committee, general manager and director of Tangshan Caofeidian Development Investment Group Co., Ltd.* (唐山曹妃甸發展投資集團有限公司). From October 2017 to January 2022, Mr. Gao served as the general manager of Caofeidian State-owned Investment Group Co., Ltd* (曹妃甸國控投資集團有限公司). Since August 2019, Mr. Gao served as the chairman and director of Liancheng Technology (Hebei) Co., Ltd.* (聯城科技（河北）股份有限公司) (formerly known as Tangshan Caofeidian Liancheng Technology Co., Ltd* (唐山曹妃甸聯城科技股份有限公司)) (stock code: 873456), a company listed on the National Equities Exchange And Quotations (NEEQ) in the PRC. Since April 2022, Mr. Gao has served as secretary of the party committee of Tangshan Guokong Science and Technology. Since May 2022, Mr. Gao has also served as the chairman and director of Tangshan Guokong Science and Technology. Mr. Gao has won several awards, including being awarded the second batch of "Hundred Talents Program" innovative talents in Hebei Province in January 2012, and "Young and Middle-Aged Experts with Outstanding Contributions of Year 2012" in Hebei Province in February 2013. In May 2019, Mr. Gao won the "Best Science and Technology Worker" of Tangshan City. Mr. Gao obtained a bachelor degree with a major in automatic control engineering from Huazhong University of Science and Technology (華中理工大學) in July 1992. Mr. Gao also obtained a master's degree in automatic control from Huazhong University of Science and Technology (華中理工大學) in June 1995. In May 2002, Mr. Gao obtained a degree of doctor of philosophy, majoring in electronics and computer engineering from the University of Illinois at Urbana-Champaign in the United States.

Mr. Li Xin Qing, born in May 1957, is an executive Director of the Company. At present, Mr. Li is also a director of Titans BVI Limited, Grace Technology Development Limited, Titans Holdings Co., Limited, the chairman and legal representative of Zhuhai Titans Technology Co., Ltd. ("Titans Technology") and Titans Power Electronics, an executive director and the legal representative of Zhuhai Titans New Energy System Co., Ltd.* (珠海泰坦新能源系統有限公司) and the vice chairman of Hebei Titans, the above of which all are subsidiaries of the Company. Mr. Li was appointed an executive Director on 16 November 2007. Mr. Li obtained a bachelor of engineering degree from Tongji University (同濟大學) in January 1982, majoring in mechanical engineering. He also obtained a second bachelor degree in industrial management and engineering from Tongji University in June 1992, majoring in industrial management and engineering. He joined our Group in September 1992. He has worked in Titans Technology where he served as vice chairman, general manager and chairman. Mr. Li received the Guangdong Province Scientific and Technological Progress Award (Class 1) for Electric Power Industry (廣東省電子工業科學技術進步一等獎) from Guangdong Province Electric Engineering Industry Department (廣東省電子機械工業廳), a department established by the local government of Guangdong Province and Zhuhai Municipality Scientific and Technological Progress Award (Class 1) (珠海市科學技術進步獎一等獎) from Zhuhai Municipality Scientific and Technological Progress Qualification Committee (珠海市科學技術進步獎評審委員會) established by the local government of Zhuhai Municipality (珠海市政府) for his participation in the research and development of the "high frequency switch power source for communications SMP-R1022FC" (通訊用高頻開關電源項目SMP-R1022FC) project in 1998. The Scientific and Technological Progress Award was awarded on the basis that the invention or development in science and technology was considered creative and contributing to the development and improvement of the current science and technology and thus generating economic and social value. Since the Group's establishment, Mr. Li has played an active role in the Group's development, including research and development of our products and formulating the business strategies of our Group and has accumulated his knowledge and experience with the development of our Group.

* *for identification purpose only*

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Tao Chen, born in March 1988, is an executive Director of the Company. At present, Mr. Tao is also a director of Grace Technology, Titans Holdings Co., Limited, Zhuhai Titans Power Electronics Company Limited* (珠海泰坦電力電子集團有限公司), Zhuhai Titans Technology Co., Ltd.*(珠海泰坦科技股份有限公司) and Zhuhai Yilian New Energy Motor Company Ltd.* (珠海驛聯新能源汽車有限公司), a director and general manager of Hebei Titans, the chairman and manager of Tangshan Yilian New Energy Co., Ltd.* (唐山驛聯新能源科技有限公司) ("Tangshan Yilian"), Tangshan Titans Technology Co., Ltd.* (唐山泰坦科技有限公司) ("Tangshan Titans Technology") and Tangshan Yiyitong Property Services Co., Ltd.* (唐山驛易通物業服務有限公司) ("Tangshang Yiyitong"), the above of which all are subsidiaries of the Company. Mr. Tao is senior economist, graduated from Northwest University with a bachelor's degree in management in July 2011. Mr. Tao has more than 10 years of working experience in enterprise and business management. From December 2014 to March 2022, he worked at the enterprise management department of Tangshan Caofeidian Development Investment Group Co., Ltd.* (唐山曹妃甸發展投資集團有限公司) ("CFD Investment"). During the period, he served as the deputy head of the enterprise management department of CFD Investment, and concurrently served as the deputy secretary-general of Caofeidian High-Quality Development Research Institute* (曹妃甸高質量發展研究院). From March 2022 to March 2025, he served as the head of the enterprise management department of Tangshan Guokong Kechuang. Since March 2025, he has been serving as the deputy general manager of Tangshan Guokong Kechuang. Since July 2022, Mr. Tao has been serving as a director of each of Tangshan Guokong Kechuang and Liancheng Technology (Hebei) Co., Ltd.* (聯城科技（河北）股份有限公司). Since April 2023, he has also been serving as the vice chairman of the labor union of Tangshan Guokong Kechuang. During his tenure, Mr. Tao was awarded the honorary title of "Excellent Manager" several times and in 2023, he was awarded the honorary title of "Excellent Communist Party Member" of Caofeidian District.

Mr. An Wei, born in October 1956, is an executive Director, the chief executive officer of our Company. At present, Mr. An is also a director of Titans BVI Limited, Grace Technology Development Limited, Titans Holdings Co., Limited, Titans Power Electronics and Hebei Titans, the above of which all are subsidiaries of the Company. Mr. An was appointed as an executive Director on 16 November 2007. Mr. An is responsible for the overall operation and management of our Group. Mr. An graduated from the post-graduate class of management engineering department in Tongji University (同濟大學) in July 1986 and obtained his doctorate degree in science management and engineering from Tongji University in November 2005. Mr. An was also accredited as a senior economist (高級經濟師) by the Title Reform Leading Group Office of Hebei Province in the PRC in August 1997. With his doctorate degree majoring in management and over 20 years of experience in the Group, Mr. An has acquired a variety of skills and extensive experiences in management. Mr. An joined the Group in September 1992 as a director of Titans Technology. He has been the general manager of Titans Technology since July 1998. He is the current vice chairman of Guangdong Province Private Enterprises Association (廣東省私營企業協會副會長), and a director of China EV100.

* *for identification purpose only*

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Ms. Meng Yao, born in January 1985, is a non-executive Director of the Company. At present, Ms. Meng is also a director of Titan (Jilin) Electric Power Survey and Design Consulting Engineering Co., Ltd.* (泰坦(吉林)電力勘察設計諮詢工程有限公司), and the deputy general manager of Hebei Titans, the above of which are both subsidiaries of the Company. Ms. Meng is intermediate economist, graduated from Hebei University of Science and Technology* (河北理工大學) (currently known as North China University of Science and Technology (華北理工大學) with a bachelor's degree in management in July 2007. Ms. Meng has more than 15 years of working experience in enterprise and business management. From July 2007 to August 2011, she worked at Zhongye Hengtong Cold Rolling Technology Co., Ltd.* (中冶恒通冷軋技術有限公司). From August 2011 to March 2012, she worked at Tangshan Xinfeng Industrial Group (唐山鑫豐實業集團). From March 2012 to August 2015, she served as the head of the integrated department of Tangshan Caofeidian Tongyi Electromechanical Equipment Co., Ltd.* (唐山曹妃甸通益機電設備有限公司). From August 2015 to September 2016, she served as the general manager office supervisor of the Laoting branch of Tangshan Zhongnan International Tourism Island Real Estate Investment Development Co., Ltd.* (唐山中南國際旅遊島房地產投資開發有限公司樂亭分公司). From September 2016 to June 2025, she worked in the enterprise management department of CFD Investment and has served as deputy head of the enterprise management department since March 2022. Since June 2025, she has been serving as the deputy head of the legal and risk control department of Tangshan Guokong Kechuang.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Xiang Feng, born in November 1967, is an independent non-executive Director, chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company. He was appointed as an independent non-executive Director on 15 July 2021. Mr. Li is a senior engineer. He graduated from Xi'an Jiaotong University with a bachelor's degree in chemical machinery and automation in July 1989. He further obtained his master's degree in electrical system and automation from Huazhong University of Science and Technology in June 1992. Mr. Li has been a member of the eighth session of the council committee of the Electromagnetic Measurement and Information Processing Instrument Branch of China Instrument and Control Society since August 2018. Mr. Li has more than 29 years of experience in field of power and electronic technology. From July 1992 to April 2002, he served as an engineer of Guangdong Power Grid Co., Ltd. Zhuhai Power Supply Bureau. Mr. Li worked as a chief engineer in various companies from the period of April 2002 to July 2015, including Landis+Gyr Meters & Systems (Zhuhai) Co., Ltd., Zhejiang Chint Instrument & Meter Co., Ltd. and Shenzhen Star Instrument Co., Ltd. From July 2015, he has been serving as a chief engineer of Hangzhou Hexing Electrical Co., Ltd., a multi-national company offering variety of electrical equipment and relevant solution to global power utilities. Mr. Li has been named as an inventor of more than 10 awarded PRC patents that relate to the technical field of electronic transmissions and various types and forms of electric energy meters. Mr. Li's major research areas include development and innovation of intelligent power system products, AMI systems, automation of electric power systems, microgrid technology, power transmission and distribution technologies. Mr. Li has authored and published three EI (The Engineering Index) level papers. He has also participated in compiling numerous systems pertaining to electricity metering equipment that meet the PRC national standards issued by the Standardization Administration of China.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu Wei, born in July 1968, is an independent non-executive Director, a member of the audit committee and remuneration committee of the Company. He was a chief operation manager of the operation department of Heilongjiang Construction Investment Group Co., Ltd.* (黑龍江建設集團) from September 1989 to August 1995. From September 1995 to July 2010, he was the director of engineering of China United Network Communications Group Co., Ltd (Heilongjiang Branch)* (中國聯合通信公司黑龍江省分公司). Mr. Liu worked as a general manager at Beijing Diansheng Investment Management Co., Ltd.* (北京點盛投資管理有限公司) from October 2010 to September 2015 and as the chairman, director and general manager at Shenzhen Metaseq Capital Co., Ltd. (深圳水杉元和投資有限公司) from March 2015 to June 2021. Mr. Liu is currently a general manger of Beijing Shuishan Xinghe Investment Management Partnership (Limited Partnership)* (北京水杉興和投資管理合夥企業(有限合夥)) since March 2015, and the chairman of the investment committee of Beijing Zhuyuan Tongde Investment Management Co., Ltd.* (北京逐源同德投資管理有限公司) since September 2018. Mr. Liu graduated from Harbin Engineering University (哈爾濱工程大學) with a bachelor degree in electronic information engineering in July 2001. He further obtained his master degree in executive business administration from Tsinghua University (清華大學) in July 2002. In June 2022, he obtained a degree of doctor of business administration from Temple University through distance learning.

Ms. Jiang Yan, born in December 1972, is an independent non-executive Director, chairman of the audit committee and member of each of the remuneration committee and nomination committee of the Company. She is experienced in financial management. From April 2001 to April 2012, Ms. Jiang was the chief financial officer of Beijing Huatianheng Technology Development Co., Ltd* (北京市華天恒科技發展有限公司) and was responsible for, among other things, establishing financial system, financial management and inventory control. From July 2018 to December 2021, Ms. Jiang worked at HouseSigma Inc., where her first position was investment manager and her last position was broker of record, responsible for compliance checks and supervision of client's trust or commission accounts. Ms. Jiang is currently working at Canada-China Ageing Industry Development Inc. and is responsible for the operation and financial management of the organisation. Ms. Jiang graduated from the Central University of Finance and Economics (中央財經大學) (formerly known as Central Institute of Finance* (中央財政金融學院)) with a bachelor degree majoring in accounting in June 1994. Ms. Jiang obtained a diploma in postgraduate studies in finance from Tsinghua University (清華大學) in October 2006 and a Master of Business Administration from The Chinese University of Hong Kong in December 2006. Ms. Jiang was a fellow member of the Chinese Institute of Certified Public Accountants.

* *for identification purpose only*

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Ms. Wang Mengli, born in December 1988, is a senior accountant and serves as the chief financial officer of the Company. Ms. Wang serves as chief accountant of Hebei Titans. At present, Ms. Wang is also a director of Titans Power Electronics, Grace Technology Development Limited and Titans Holdings Co., Limited, a director and the chief financial officer of Hebei Titans, a director of Tangshan Yilian, and a director of Tangshan Titans Technology and Tangshan Yiyitong, the above of which all are subsidiaries of the Company. Ms. Wang graduated from Tianjin University of Finance and Economics in June 2013 with a Master's degree in Management. Ms. Wang possesses over 10 years of working experience in financial and tax management. From July 2013 to May 2022, she was employed in the planning and finance department of CFD Investment. During the period, she served as supervisor of the fund settlement centre and supervisor of financial accounting and tax compliance of CFD Investment. From August 2019 to the present, she has concurrently served as the chief financial officer of Liancheng Technology Co., Ltd* (聯城科技（股份）有限公司). From May 2022 to the present, she has served as the head of the planning and finance department a of Tangshan Guokong Kechuang. Since July 2025, she has served as the director of Tangshan Guokong Kechuang. During her tenure, Ms. Wang was awarded the honorary titles of "Excellent Employee" and "Excellent Manager" several times and in 2018, she was awarded the honorary title of "Excellent Communist Party Member" of Caofeidian District.

Mr. Li Xiao Bin, born in January 1962, is a senior engineer. He obtained a bachelor degree from Hefei United University (合肥聯合大學) in 1984 and a master degree from Institute of Plasma Physics of Chinese Academy of Sciences in 1990. Mr. Li Xiao Bin worked as an engineer for three years with the Plasma Physics Laboratory of the Chinese Academy of Sciences from 1990 to 1993. Mr. Li Xiao Bin joined our Group in 1993, and he is currently a director of Titans Technology. Mr. Li Xiao Bin received the "Certificate for Outstanding Technology Improvement* (科學技術進步獎)" from the Chinese Academy of Sciences (中國科學院). Mr. Li Xiao Bin is interested in the 40% issued share capital of Honor Boom, a company which holds approximately 5.53% of the issued share capital of our Company.

Mr. Chen Xiang Jun, born in September 1968, holds a master degree in business administration. He obtained a bachelor degree of mathematics from Nankai University (南開大學) in 1990. Mr. Chen obtained an Executive Master of Business Administration degree from Tongji University (同濟大學) in 2016. Mr. Chen joined Titans Technology in March 2001. Mr. Chen is currently the president of Titans Power Electronics, a wholly-owned subsidiary of our Company and a director of Titans Technology and Zhuhai Yilian New Energy Motors Co., Ltd. ("Zhuhai Yilian"), the subsidiaries of our Company. Mr. Chen is mainly responsible for the operation management and capital operation related matters.

Mr. Liu Jun, born in December 1979, graduated from North China University of Water Resources and Electric Power (華北水利水電學院) and obtained his bachelor degree in engineering in 2003, obtained his master degree in electric engineering from Beijing Jiaotong University (北京交通大學) in 2015 and obtained master of business administration from Sun Yat-sen University (中山大學) in 2021. Mr. Liu joined our Group in 2003 and served as sales manager, project manager, and general manager of a subsidiary. After years of working in new energy vehicle charging sector, he has rich experience in sales and management. Mr. Liu currently works as chief executive officer of Titans Power Electronics and a director of Titans Technology and Zhuhai Yilian.

* *for identification purpose only*

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

We are committed to ensuring high standards of corporate governance at all times and in all aspects of our operations. The Board believes that good corporate governance is an essential element in enhancing the confidence of current and potential shareholders, investors, employees, business partners and the community as a whole. The Board strives to adhere to the principles of good corporate governance and has adopted corporate governance code provisions and practices to meet the relevant statutory and commercial standards by focusing on internal control, fair disclosure and accountability to all shareholders.

The Company has complied with all applicable code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2025 and there have been no material deviations from the Code Provisions.

Throughout the Reporting Period, the Company has complied with all applicable Code Provisions.

The Board will continually review and monitor its corporate governance practices to ensure compliance with the CG Code.

THE BOARD

Detailed biographies outlining each Director's scope of specialist experience are set out on pages 26 to 31 of this annual report. The biographies of the Directors are set out in the section headed "Biography of Directors and Senior Management" of this annual report. Save as disclosed in the biographies of the Directors as set out under the section headed "Biography of Directors and Senior Management" of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship), with any other Director.

6 board meetings were held during the year 2025. Regular Board meetings were held at least once every quarter.

The Board ensures that its members are supplied, in a timely manner, with all necessary information in a form and of a quality appropriate to enable the Directors to discharge their duties. All the Board meetings adhere to a formal agenda in which a schedule of matters is specifically addressed to the Board for its decision.

The minutes of the Board meetings recorded all the details of the matters considered by the Board and the decisions reached, including any concerns raised by Directors or dissenting views expressed. Minutes of the Board meetings are kept and available for inspection by all Directors at the Group's office.

CORPORATE GOVERNANCE REPORT

Directors' Attendance at Board and Committee Meetings

The composition of the Board and members' attendance of the Board meetings and the Board committees' meetings for the year 2025 were as follows:

	Number of meetings attended/held			
	Board	Audit Committee	Remuneration Committee	Nomination Committee
Executive Directors				
Mr. Gao Xia *(Chairman)*	6/6	N/A	N/A	3/3
Mr. Li Xin Qing	6/6	N/A	N/A	N/A
Mr. Tao Chen (appointed on 8 January 2025 and redesignated on 7 November 2025)	4/6	N/A	N/A	N/A
Mr. An Wei *(Chief Executive Officer)*	6/6	N/A	N/A	N/A
Mr. Bi Jingfeng (resigned on 7 November 2025)	5/6	N/A	N/A	N/A
Non-executive Directors				
Ms. Meng Yao (appointed on 7 November 2025)	–	N/A	N/A	N/A
Mr. Jiang Wenqi (resigned on 8 January 2025)	–	N/A	N/A	N/A
Independent Non-executive Directors				
Mr. Li Xiang Feng	6/6	2/2	1/1	3/3
Mr. Liu Wei	6/6	2/2	1/1	1/3
Ms. Jiang Yan	6/6	2/2	1/1	2/3

General Meetings

During the year 2025, the Company held one general meeting, being the annual general meeting on 20 June 2025.

	Number of meetings attended/held
Executive Directors	
Mr. Gao Xia *(Chairman)*	1/1
Mr. Li Xin Qing	1/1
Mr. Tao Chen (appointed on 8 January 2025 and redesignated on 7 November 2025)	1/1
Mr. An Wei *(Chief Executive Officer)*	1/1
Mr. Bi Jingfeng (resigned on 7 November 2025)	1/1
Non-executive Directors	
Ms. Meng Yao (appointed on 7 November 2025)	0/0
Mr. Jiang Wenqi (resigned on 8 January 2025)	0/0
Independent Non-executive Directors	
Mr. Li Xiang Feng	1/1
Mr. Liu Wei	1/1
Ms. Jiang Yan	1/1

In addition, during the year, the chairman of the Board ("Chairman") held one meeting with the independent non-executive Directors without the other executive Directors present.

During the Reporting Period, the Directors had devoted sufficient time to perform their duties on relevant matters under each of his respective responsibilities.

CORPORATE GOVERNANCE REPORT

ROLES OF THE BOARD

The Board decides on corporate strategies, approves overall business plans, and supervises the Group's financial performance, management and organisation on behalf of the Shareholders. Specific tasks that the Board delegates to the Group's management include preparing annual and interim financial statements for the Board's approval, implementing strategies approved by the Board, monitoring the operating budgets, implementing internal controls procedures, and ensuring compliance with relevant statutory requirements and other rules and regulations.

At the Board meeting held on 30 June 2011, a resolution was passed to allow the Directors who were performing their duties to seek independent professional advice in appropriate circumstances at the Company's expense. All Directors are encouraged to discuss with the Chairman regarding any additional information or training they may require to discharge their duties more effectively.

The day-to-day operations of the Group are delegated to the management with department heads being responsible for different aspects of the business and functions.

TRAINING AND SUPPORT FOR DIRECTORS

All the Directors must keep abreast of their collective responsibilities. Any newly appointed Director would receive an induction package covering the statutory and regulatory obligations of a director of a listed company. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills. In addition, during the year, the Company provided all members of the Board with monthly updates on the Company's performance, financial position and prospects.

During the Reporting Period, the Directors had participated in continuous professional development and refreshed their knowledge and skills in the following manner.

Name of Directors	1. Board and Director Responsibilities	2. Compliance with Listing Rules and Hong Kong Laws	3. Corporate Governance and ESG	4. Risk Management and Internal Controls	5. Industry and Business Updates	Total Hours
Executive Directors						
Mr. Gao Xia *(Chairman)*	2*	2#	2*	2^	2^	10
Mr. Li Xin Qing	2*	2#	2*	2^	2^	10
Mr. Tao Chen** (appointed on 8 January 2025 and redesignated on 7 November 2025)	4*	4#	8*	4^	4^	24
Mr. An Wei *(Chief Executive Officer)*	2*	2#	2*	2^	2^	10
Mr. Bi Jingfeng (resigned on 7 November 2025)	2*	2#	2*	2^	2^	10
Non-executive Directors						
Ms. Meng Yao** (appointed on 7 November 2025)	4*	4#	8*	4^	4^	24
Mr. Jiang Wenqi (resigned on 8 January 2025)	2*	2#	2*	2^	2^	10
Independent Non-executive Directors						
Mr. Li Xiang Feng	2*	2#	2*	2^	2^	10
Mr. Liu Wei	2*	2#	2*	2^	2^	10
Ms. Jiang Yan	2*	2#	2*	2^	2^	10

* Internal Training
\# External Training (Training has been provided by, amongst others, Anthony Siu & Co., Solicitors & Notaries)
^ Self-study

** In compliance with Rule 3.09H of the Listing Rules, Mr. Tao Chen and Ms. Meng Yao have completed the required continuous professional development under Rule 3.09H of the Listing Rules.

As at the date of his/her appointment, the Director has obtained the legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him/her as the Director and any possible consequences of making a false declaration or giving false information to the Stock Exchange. And the Director confirmed that he/she has understood his/her obligations as the Director.

CORPORATE GOVERNANCE REPORT

CODE OF CONDUCT AND BUSINESS ETHICS

Each Director has a duty and responsibility to act honestly and with due diligence and care when carrying out his duties on behalf of the Company. Each Director shall attend regular training session regarding the various requirements in the Listing Rules and other applicable laws and regulations to companies listed in Hong Kong.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the Reporting Period, Mr. Gao Xia, an executive director of the Company, and Mr. An Wei, another executive director of the Company, were the Chairman and the chief executive officer of the Company ("Chief Executive Officer"), respectively. During the Reporting Period, the roles and duties of the Chairman and Chief Executive Officer have been separately undertaken by different officers.

Mr. Gao Xia, the Chairman, is responsible for the leadership of the Board, assignment of responsibilities among members of the Board, and maintaining the proper conduct and proceedings of meetings of the Board and the Shareholders, and overseeing the Group's overall direction and strategic planning. In addition, the Chairman also plays a key role in encouraging all the Directors to actively contribute to the Board affairs and establishing good corporate governance practices and procedures.

Mr. An Wei, the Chief Executive Officer, is responsible for managing the business and affairs of the Company, recommending and implementing strategic, business and operating plans, directing and overseeing the activities of the Group, developing and implementing operational policies under the strategic directions adopted by the Board, developing and recommending organizational structure, and ensuring that the Board has the required information to fulfill its duties.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Shareholders in general meeting, or the Board upon recommendation of the Nomination Committee, can appoint any person as the Director anytime. Directors who are appointed to fill a casual vacancy, if any, are subject to election by Shareholders at the first general meeting after their appointment and such election is separate from the normal retirement of Directors by rotation. In accordance with the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

CORPORATE GOVERNANCE REPORT

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors serve the relevant functions of making independent judgment on the development, performance and risk management of the Group through their contributions in Board meetings. In particular, the independent non-executive Directors bring an impartial view on issues related to the Group's strategy and internal control. All the independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board.

The Board considers that each of independent non-executive Director is independent in his role and judgment, and has no financial or other interest in the businesses of the Group or connection with the Company's connected persons (as defined in the Listing Rules). The Company has received from each of the independent non-executive Directors a written confirmation in which each of them had confirmed to be in compliance with the independence requirements as set out under the Rule 3.13 of the Listing Rules. All of them meet the independence criteria set out in Rule 3.13 of the Listing Rules. Thus, the Board considers that they are independent.

The independent non-executive Directors of the Company are Mr. Li Xiang Feng, Mr. Liu Wei and Ms. Jiang Yan. Mr. Li Xiang Feng has signed a letter of appointment for a term of three years commencing from 15 July 2024 with the Company and both Mr. Liu Wei and Ms. Jiang Yan have signed the letters of appointment for a term of three years commencing from 30 May 2023 with the Company. Under the letters of appointment, they agreed to act as independent non-executive Director for a period of three years unless terminated in accordance with the terms of the letter of appointment. Under the said appointment letters, either party may terminate the agreement at any time by giving to the other not less than three months' prior written notice.

DIRECTORS' INSURANCE

The Company has maintained appropriate insurance coverage for the Directors' and executive officers' liabilities arising from the Group's business. The coverage is reviewed by the management on an annual basis.

BOARD COMMITTEES

The Board has established three committees to oversee particular aspects of the Group's affairs. The views of different committees and their recommendation not only ensure proper control of the Group but also its continual achievement of the high corporate governance standards expected of a listed company.

Audit Committee

The primary duties of the audit committee of the Company (the "Audit Committee") are to review and supervise the preparation of annual reports, the interim reports and financial statements of the Company and to provide advice and recommendations to the Board. In doing so, members of the Audit Committee will communicate with the Board, the senior management, the reporting accountants and/or the auditor of our Company. The Audit Committee will also consider whether there are any material or general matters which are, or may be, necessary to be reflected in such reports and financial statements, and will consider matters raised by our auditor. Members of the Audit Committee are also responsible for reviewing the financial reporting process and internal control systems of the Group.

CORPORATE GOVERNANCE REPORT

The Audit Committee comprises three independent non-executive Directors, namely Ms. Jiang Yan, Mr. Li Xiang Feng and Mr. Liu Wei and is chaired by Ms. Jiang Yan. The main roles and responsibilities of the Audit Committee are set out by the Board with clearly defined written terms of reference which are available on the websites of the Stock Exchange and the Company. The Audit Committee held two meetings in 2025 to review the final results of the Group for the year ended 31 December 2024 and the interim results of the Group for the six months ended 30 June 2025, and to conduct other affairs.

Remuneration Committee

The Company has established the remuneration committee of the Company (the "Remuneration Committee") which is responsible for, among other things, considering and making recommendations to the Board on the remuneration packages of the respective Director and senior management. The remuneration of all our Directors and senior management is subject to regular monitoring by the Remuneration Committee to ensure that levels of their remuneration and compensation are appropriate. The Remuneration Committee is also responsible to review and approve the matters relating to the share schemes of the Company. Such share options are granted based on individual employee's performance and the achievement of certain goals that are consistent with the Group's objective of maximising long-term value for the Shareholders.

Remuneration Policy

Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market condition and performance of the Group and individual staff (including the Directors). The remuneration policy and remuneration packages of the executive Directors and member of the senior management of the Group are reviewed by the Remuneration Committee.

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Li Xiang Feng, Mr. Liu Wei and Ms. Jiang Yan, and is chaired by Mr. Li Xiang Feng. The main roles and responsibilities of the Remuneration Committee are set out by the Board with clearly defined written terms of reference which are available on the websites of the Stock Exchange and the Company. The Remuneration Committee held one meeting in 2025.

During the Reporting Period, the Remuneration Committee had performed duties as follows:

1. Reviewing and making recommendation to the Board on the remuneration policy and structure of the Company for the Directors.

2. Reviewing and making recommendation to the Board on the prevailing remuneration packages of Directors.

3. Reviewing scope and authority of the Remuneration Committee.

4. Reviewing the grant of share options under the share option scheme of the Company.

Details of each Director's emoluments are set out in note 12 to the consolidated financial statements in this annual report. The primary objective of the Group's remuneration policy is to retain and motivate executive Directors by linking their compensation to the Company's performance and evaluating their compensation against corporate goals, so that the interests of the executive Directors and the senior management team are aligned with those of our shareholders. The remuneration policy of the Directors is decided by the Remuneration Committee, having regard to the Company's operating results, individual's duties and responsibilities with the Group and comparable market practice. No Director can, however, approve his own remuneration.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2025, the annual salary of the senior management of the Company falls within the following bands.

Remuneration bands (RMB)	Number of senior management
Nil to 500,000	1
500,001 to 560,000	3

Nomination Committee

The Company has established the Nomination Committee of the Company (the "Nomination Committee") which is responsible for considering and recommending to the Board on appointment of Directors and management of the succession of the Board. The Nomination Committee comprises three members, namely Mr. Gao Xia, Mr. Li Xiang Feng and Ms. Jiang Yan (appointed with effect from 8 January 2025), and is chaired by Mr. Gao Xia. The main roles and responsibilities of the Nomination Committee are set out by the Board with clearly defined written terms of reference which are available on the websites of the Stock Exchange and the Company. The Nomination Committee reports to the Board and makes recommendations regarding the appointment of Directors, its evaluation of the Board's composition, and the management of Board succession with references endorsed by the Board itself. The Nomination Committee ensures a transparent and effective process for the nomination of Directors, focusing on clearly defined procedures and selection criteria. The Directors are evaluated based on professional qualifications, relevant work experience, existing directorships on Main Board and GEM, and their ability to commit time to Board responsibilities. The Nomination Committee assesses each Director's effectiveness, integrity, and independence, considering their contribution to Board discussions and decisions. This ongoing evaluation process ensures that the Board is composed of qualified individuals capable of fulfilling their responsibilities and driving the Company's success. The Nomination Committee held three meetings in 2025.

Nomination Policy

The Board has adopted the nomination policy (the "Nomination Policy") on 31 December 2018 which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, integrity and experience will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

The process to identify potential candidates for the Board would be as follows:

1. identifying potential candidates, including recommendations from the Board members, professional search firms and the shareholders of the Company;

2. evaluating the candidates based on the approved selection criteria through methods such as reviewing the resume and conducting the background checks;

CORPORATE GOVERNANCE REPORT

3. reviewing the profiles of the shortlisted candidates and interview them; and

4. making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

During the Reporting Period, the Nomination Committee had performed duties generally as follows:

1. Reviewing the structure, size and composition of the Board (including technique, knowledge, experience and year of service of Directors) and assessing the independence of independent non-executive directors.

2. Assessing Directors' effectiveness, integrity and considering their contributions to Board discussions and decisions.

3. Reviewing scope and authority of the Nomination Committee.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for the corporate governance function as a whole, and establishes an internal control group to be responsible for the specific operation. During the Reporting Period, the Board had performed the following duties:

1. Developing and reviewing relevant corporate governance policy and practice of the Company.

2. Reviewing and inspecting continuous professional development and training of the Directors and senior management.

3. Reviewing and monitoring the policies and practices of the Company being in compliance with the statutory and other regulatory provisions.

4. Developing, reviewing and checking code and provision of conducts applicable to the Directors and employees.

5. Reviewing that the Company being in compliance with the code and corporate governance reporting requirements.

COMPANY SECRETARY

The Company has engaged Ms. Ho Wing Yan ("Ms. Ho") as the company secretary of the Company. The primary corporate contact person at the Company is Mr. Chen Xiang Jun, the vice president of the Group.

In compliance with Rule 3.29 of the Listing Rules, Ms. Ho has undertaken not less than 15 hours of relevant professional training during the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 model code regarding directors' securities transactions. Having made specific enquiry of all Directors, all the Directors confirm that they had complied with the required standards of the Model Code during the year ended 31 December 2025.

FINANCIAL REPORTING

The Directors have acknowledged their responsibility for preparation of the consolidated financial statements, which give a true and fair view of the Group's consolidated financial position, consolidated comprehensive income, consolidated changes in equity and consolidated cash flows for the year. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The external auditor of the Group, SHINEWING (HK) CPA Limited ("SHINEWING"), has the responsibility to express an opinion on the Group's consolidated financial statements according to the results of its audit and report its opinion solely to the Company. SHINEWING conducted its audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that SHINEWING complies with the ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Group's consolidated financial statements are free from material misstatement. The Independent Auditor's Report on pages 105 to 110 of this annual report also sets out the responsibilities of SHINEWING.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has reviewed the effectiveness of the risk management and internal control systems of the Company and its subsidiaries at least annually during the reporting period, in accordance with code provision D.2.1 of the Corporate Governance Code. Furthermore, the internal policies and procedures in areas such as corporate operations, finance, and risk monitoring have been improved based on this standardized framework, with the following details disclosed:

(i) The Board acknowledges its overall responsibility for the risk management and internal control systems of the Company; and (ii) The Board confirms that the risk management and internal control systems of the Company are appropriate and effective in achieving the purposes set out in Principle D.2 of the Corporate Governance Code, namely managing risks to achieve strategic objectives and providing reasonable and not absolute assurance against material misstatement or loss.

The main features of the risk management and internal control systems include processes for identifying, assessing, and managing material risks, as well as procedures for timely, accurate, and complete disclosure of information required to be disclosed (including inside information and any other information necessary to prevent a false market in the issuer's securities). Specifically, the risk management system covers identifying and classifying existing and emerging risks in business operations, assessing and prioritizing risks, mitigating risks, and measuring the effectiveness of risk management. The internal control system includes codes of conduct for employees, internal audit, management reporting, and internal control mechanisms implemented in the Company. The information disclosure procedures are established in accordance with regulatory requirements such as the Securities and Futures Ordinance and the Listing Rules, outlining processes and internal controls for handling and disseminating inside information.

(i) The Company has conducted risk assessments (including environmental, social, and governance risks); and (ii) There were no significant changes to the risk management and internal control systems during the reporting period. The Company continuously enhances its risk management and internal control framework and capabilities, and integrates them into daily operations to support long-term business growth and sustainable development.

CORPORATE GOVERNANCE REPORT

The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles, and the internal audit department of the Company carries out audit work according to the annual audit work plan and implements daily or special internal control inspection. Through internal audit, problems existing in operating activities are found in time, and the Group will put forward rectification suggestions and implement rectification measures, so as to improve the effectiveness of internal control management and further prevent business risks and financial risks. The normal development of internal audit has played a supervisory, control and guiding role in the production and operation of the Company. For the internal control deficiencies found in internal audit, with respect of the existing deficiencies, the Group will report such results to the Audit Committee according to the established reporting procedures.

In 2025, to address the impacts of changes in the external market and internal management on the Group, the internal audit department commenced and implemented the internal control and assessment of the Group. The inspection work carried out and the business and matters included in the evaluation scope include: organizational structure, development strategies, human resources, social responsibility, corporate culture, capital activities, production and operation, procurement business, asset management, sales business, research and development, connected transactions, guarantee business, fund raising, fixed assets management and subsidiary management, etc. The internal audit department follows the principles of legality, effectiveness, prudence, timeliness and independence, so as to guarantee that the Company can achieve various business management objectives through scientific and effective decision-making mechanisms, execution mechanisms and supervision mechanisms. The Group will establish an effective risk prevention and control system to ensure the safety of assets and business activities of the Company. The Group will establish a benign internal business environment in the Company to ensure that the operation of the Company conforms to the provisions of laws and regulations and the management system of the Company.

The internal audit team of the Company has submitted an audit report on internal controls to the Audit Committee to report its audit results and make recommendation on the improvement of insufficiency and omission it discovered. The Board, through the Audit Committee, has made an annual review in relation to the effectiveness of the Group's risk management and internal control systems, covering aspects of finance, operation, compliance, risk management and internal controls of the Company. During the Reporting Period, the Board did not identify any material internal control defect and consider the Group's risk management and internal control systems effective and adequate. The Board believes the risk management and internal control management to be an on-going process of monitoring and improvement.

During the Reporting Period, the Board, through the Audit Committee, assessed the effectiveness of the Company's risk management and internal control systems. The scope of the review included financial, operational, and compliance controls; information disclosure procedures and internal controls; and the adequacy of resources and staff training for the internal audit function. After a detailed review, no material control failures or weaknesses (including previously reported but unresolved issues) were identified during the Reporting Period. Accordingly, no remedial actions are currently required or planned. The review results indicate that, for the year ended 31 December 2025, the risk management and internal control systems of the Company are effective and adequate, with no issues requiring significant attention in financial, operational, or compliance controls.

The Company has established policies on disclosure of inside information. The Company regularly reminds its directors and employees to properly comply relevant procedures of handling and dissemination of inside information, and implements internal controls over it.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

The Audit Committee has reviewed with the management and the Group's external auditor, SHINEWING, the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters. Apart from considering the issues arisen from the audit process, the Audit Committee also discussed matters raised by the external auditor. The Audit Committee reviewed with the management on the Company's financial controls, internal control systems, risk management system, and the accounting principles and practices adopted by the Group. All issues reported by the external auditor are monitored closely by the Group's senior management. During the year under review, the fees paid by the Company to SHINEWING were as follows:

	HK$'000
Audit fees	1,070
Non-audit service fees	230

Non-audit service fees of HK$230,000 were fees for reviewing interim financial report of the Company.

The Audit Committee has concluded that it is satisfied with the findings of its review of the audit and non-audit service fees, process and effectiveness, and independence and objectivity of SHINEWING. The Audit Committee will therefore recommend to the Board that SHINEWING be re-appointed as the Group's external auditor at the annual general meeting of the Company in 2026.

DIVERSITY

To enhance the efficiency of the Board and corporate governance standard of the Company, the Board maintains a balanced mix of the executive Directors and the independent non-executive Directors so that the Board is highly independent and is able to make independent judgements efficiently. In selecting candidates, a diversified perspective, including but not limited to the age, gender, cultural and education background, professional and industry experience, skills, knowledge, race and other qualifications that are essential to the business of the Company, will be applied so that the candidate can bring advantage and make contribution to the Board. The Nomination Committee will review such measurable on a regular basis and discuss any revisions that may be required, and recommended any such revisions to the Board for consideration and approval.

In respect of the gender diversity of the Board, as at the date of the Annual Report, 6 Directors are male and 2 Directors are female. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance, and sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The ratio of female Directors has reached more than 20%.

Moreover, the current gender ratio of the senior management is 3 males per 1 female and the current gender ratio of the company workforce (excluding senior management) is 286 males per 96 females. The Company has already achieved gender diversity and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the company, which include market insight, creativity and innovation, and improved problem-solving. Men's and women's different experiences may provide insights into the different needs of male and female customers. Further, men and women may have different cognitive abilities, such as men's proficiency in mathematics and women's proficiency in verbal and interpersonal skills. Therefore, a mix of cognitive abilities in a gender diverse team may enhance the team's overall creativity and innovation as proved by research. Moreover, a gender diverse team produces high quality decisions. Although there may be some mitigating circumstances where gender diversity can be very hard to achieve (for instance, male workers are more commonly seen regarding physical labor and female workers are more often seen during psychological consultation), the Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitivity in the future.

CORPORATE GOVERNANCE REPORT

The following table further illustrates the diversity of the Board members as of the date of this report:

Name of Directors	Account and Finance Industry	Corporate Governance Industry and Legal Industry	Business Development; Business Consultation and Advisory; Business Management
Executive Directors			
Mr. Gao Xia *(Chairman)*			✓
Mr. Li Xin Qing			✓
Mr. Tao Chen (appointed on 8 January 2025 and redesignated on 7 November 2025)			✓
Mr. An Wei *(Chief Executive Officer)*			✓
Mr. Bi Jingfeng (resigned on 7 November 2025)	✓		
Non-executive Directors			
Ms. Meng Yao (appointed on 7 November 2025)			✓
Mr. Jiang Wenqi (resigned on 8 January 2025)		✓	
Independent Non-executive Directors			
Mr. Li Xiang Feng			✓
Mr. Liu Wei	✓		
Ms. Jiang Yan	✓		

MECHANISMS TO ENSURE INDEPENDENT VIEWS

The Company makes certain that the Board has access to independent views and input through the mechanisms listed below:

1. The Nomination Committee should review the Board composition and the independence of the independent non-executive Directors annually, in particular the portion of the independent non-executive Directors and the independence of the independent non-executive Director who has served for more than nine years.

2. A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive Directors to be independent.

3. In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also Directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions on the transactions with the controlling shareholders and/or its associates.

4. The chairman of the Board shall meet with independent non-executive Directors at least once annually.

5. All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy.

The mechanisms to ensure independent views are reviewed by the Nomination Committee for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice.

BOARD PERFORMANCE REVIEW

The Company has implemented regular evaluation of the performance and effectiveness of the Board once every two years in the form of a questionnaire to all Directors individually. Each Director is invited to provide his/her views on the performance of the Board and any suggestions for improving the board process. The results of the evaluation are reviewed by the Nomination Committee and submitted to the Board.

A board performance review has been conducted for the year ended 31 December 2025. Based on the evaluation conducted, the Directors were satisfied with the performance of the Board and considered the Board continued to operate effectively.

SHAREHOLDERS' RIGHTS

The Articles of Association states that Shareholders holding not less than one-tenth of the Group's paid-up capital carrying voting rights shall at all times have the right to requisition an extraordinary general meeting to discuss specified business transactions. To request the convening of a meeting, individuals must send a written notice to the Company's principal place of business in the PRC at least 21 days before the proposed date of the meeting. This procedure also applies to any proposals to be tabled at shareholders' meetings for adoption.

VOTING RIGHTS

In accordance with the Listing Rules, any votes of the Shareholders at the Company's general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural of administrative matter to be voted on by a show of hands. The results of shareholders' meetings are reported to the public via announcements submitted to the Stock Exchange's website and the Company's website. Shareholders who wish to exercise their rights to vote by proxy may do so upon presentation of a written and dated instrument appointing their proxy. The notice convening each shareholders' meeting includes a proxy form which appoints the Board as proxy for each specific proposal. All Shareholders are welcome to ask questions or present proposals for discussion at these meetings.

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

Constitutional Documents

There were no significant changes in the Company's constitutional documents during the year ended 31 December 2025.

SHAREHOLDERS' COMMUNICATION POLICY

Purpose

The Company recognises the importance of providing current and relevant information to its shareholders (the "Shareholders"). This shareholders' communication policy (the "Policy") aims to set out the provisions with the objective to ensure that the Shareholders and potential investors are provided with equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company.

General Policy

The board of directors of the Company (the "Board") shall maintain an on-going dialogue with Shareholders and will regularly review the Policy to ensure its effectiveness.

Information is communicated to the Shareholders through periodic disclosure through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and other corporate publications on the Stock Exchange's website and corporate communications on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (http://www.titans.com.cn).

Effective and timely dissemination of information to Shareholders shall be ensured at all times. Any questions, requests and comments can be addressed to the Company by mail to Building G1, South Section of the High and New Technology factory, Renhe Road, Caofeidian Industrial District, Tangshan, Hebei Province, The PRC or by email to ir@titans.com.cn or through the Company's share registrar.

CORPORATE GOVERNANCE REPORT

The Company believes that communication with Shareholders by electronic means, particularly through its website, is an efficient way to distribute information in a timely and convenient manner. Shareholders are encouraged to access to the corporate communications posted on the Company's website to help reduce the quantity of printed copies and hence reduce the impact on the environment.

The Company's website will be updated with material posted to the Stock Exchange's website immediately thereafter. Such material includes but not limited to financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

The Company has reviewed the shareholders' communication policy conducted for the year ended 31 December 2025 and considered that the shareholders' communication policy has been well implemented and effective.

DIVIDEND POLICY

The Board has adopted the dividend policy (the "Dividend Policy") on 31 December 2018 which sets out the appropriate procedure on declaring and recommending the dividend payment of the Company. The Company takes priority to distributing dividends in cash and shares its profits with the shareholders of the Company. The dividend distribution decision of the Company will depend on, among others, the financial results, the current and future operations, liquidity and capital requirements, financial condition and other factors as the Board may deem relevant. The Board may also declare special dividends from time to time. The Dividend Policy will be reviewed on a regular basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Group is pleased to announce the 2025 Environmental, Social and Governance Report (the "Report"). As a leading energy equipment manufacturer, the Group has a profound understanding of the growing concerns from various sectors of society about sustainability. We have consistently upheld the principle of responsibility in pursuing the coordinated advancement of environmental, social, and economic dimensions. Responsible operations and management are embedded throughout our daily business processes, and by leveraging our corporate influence and role in driving social progress, we join hands with stakeholders to pursue a sustainable future together.

This Report explains the work and effort of the Group in 2025 regarding to sustainability on environmental and social aspects. For details of corporate governance, please refer to the Corporate Governance Report on pages 32 to 46 of this annual report.

Scope of the Report

The scope of this year's report remains consistent with that of last year, covering the environmental and social policies and key performance indicators of our seven subsidiaries in the People's Republic of China (the "PRC"), including Zhuhai Titans Power Electronics, Titans Technology, Zhuhai Yilian, Hebei Titans, Tangshan Titans Technology, Tangshan Yilian, and Tangshan Yiyitong. The Group will continue to review our environmental and social performance and consider including more business in the Report in the coming year.

Unless otherwise stated, the Report covers the same period as the financial report of the Group, i.e. from 1 January 2025 to 31 December 2025 (the "Reporting Period" or the "Year").

Reporting Guidelines

The Report is prepared in accordance with the Environmental, Social and Governance ("ESG") Reporting Guide (the "Guide") in Appendix C2 to the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the case of any inconsistencies, the Chinese version will prevail.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Principles

The Group has observed the following reporting principles in preparing this Report.

Reporting Principles	The Group's Response
Materiality	We communicate with different stakeholders regularly and conduct online questionnaire surveys to understand their concerns towards various sustainability issues of the Group. Meanwhile, the management carries out internal assessments to identify the level of impact of various factors on business sustainability, and includes the matters identified in the Group's strategic development plan. We explain in detail the Group's practical results on the corresponding issues in this Report.
Quantification	The Group refers to the "Guide" in developing quantified key performance indicators, so as to assist stakeholders in comparing, assessing and verifying the Group's policy layout and practical results in environmental, social and governance aspects more effectively.
Balance	This Report makes objective and fair disclosures, presenting the Group's sustainability performance and existing challenges to stakeholders in a candid manner, and providing stakeholders with the information necessary for making investment decisions.
Consistency	Unless otherwise specified, the Group adopts a consistent methodology and reporting framework to collect data in relation to environmental and social key performance indicators from internal records, and strives to enhance the comparability across reporting years.

Feedback

For details of the Group's environmental, social and corporate governance, please refer to the official website of the Group (http://www.titans.com.cn/) and the annual report. If you have any comments or suggestions regarding the contents or presentation of this Report, please contact us by email at IR@titans.com.cn.

ABOUT US

The Group was established in 1992 and listed on the Main Board of the Stock Exchange in 2010 (Stock code: 2188). We focus on the supply of power electric products and equipment, sales and leases of electric vehicles, provision of charging services for electric vehicles and construction services of charging poles for electric vehicles in the PRC. Through our professional and high-calibre workforce and research and development expertise, the Group maintains its leading position in the industry. Since 2014 till present, our projects have covered over 130 cities across the PRC, Hong Kong and Taiwan, which include serving over 2,000 customers with comprehensive supporting facilities.

The Group provides high-quality, reliable and multi-variety of charging, discharging and storage products, power quality monitoring and optimization systems and power battery maintenance management products and technologies to our customers. It also provides users with a variety of integrated solutions for power electronic products and technology, so as to meet the demands for high quality, efficient and diversified applications of electric energy. We make consistent efforts to keep pace with market development of low-carbon economy, energy conservation and emission reduction, use of new energy and smart grid construction.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We are committed to becoming an outstanding power and electrics enterprise, and uphold the corporate philosophy of "nurturing a culture, develop management, maintain high quality, reap the fruits, become a successful enterprise", and actively leverage the efficiency of corporate resources through effective management and healthy corporate culture. In line with various other enterprises bearing social responsibilities, we have an explicit corporate culture development principle "culture-driven management, culture development through management", for the construction of a set of positive and open values and beliefs. We bear the mission of "making electricity more valuable", aim to expand electricity uses, improve energy applications, broaden energy sources and optimize power quality, and strive to build an outstanding enterprise that customers, the society, employees and shareholders can be proud of. We take "customer-oriented, product first, innovation-based and integrity-first" as our management policy, and regards four "T" (Talent – talent-oriented, Trust – trustworthy, Team – team spirit and Technology – technology innovation) as the cornerstone of our culture.

As at 31 December 2025, the Group was honoured with the following major awards and certificates:

Awards and Certificates Obtained	Issuing Authority
2025 Ecological Partner	Xiaoju Charging Partner Conference (小桔充電合作夥伴大會)
Member Unit	China Workers' Technical Association
Titanium Energy Awards – 2025 Top 10 Brands of Charging Piles	China Magisterial Energy Navigator
2025 Top 10 Influential Brands of Charging and Battery Swap Industry in China	Organising Committee of Global Conference for Electric Vehicles Charging and Battery Swap Industry
Professional Cooperative Unit	Expert Working Committee on EPTC DC Power Supply System

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OUR SUSTAINABILITY STRATEGIES

Strategies

The Group is consistently committed to environmental protection and community development. In order to create a sustainable and green living environment, we actively promote environmental awareness within the Group, implement eco-friendly management practices, and maximize the reduction of resource wastage through effective resource utilization. The Group's objective is to become the preferred choice for customers, investors, and employees, continuously integrating sustainability concepts into our daily operations to create long-term value for the communities we serve.

In order to integrate environmental, social, and economic issues, we have formulated sustainability policies and strategies covering five scopes: 1) environmental protection, 2) social responsibility and supplier management, 3) product responsibility, 4) employment relationship, and 5) climate change. This year, in view of the increasing global focus on climate change, we have progressively incorporated "climate change" into our sustainability policies and strategies to better respond to the requirements of climate change and related regulations. We apply relevant policies to our daily business operations to ensure the implementation of a consistent sustainability strategy at all levels of the Company. The following is the content involved in each scope:

Environmentally-friendly

- Environmental compliance and management
- Impact on the environment
- Control of production resources

Social responsibility and supplier management

- Supplier management methods
- Performance of social services
- Business ethics

Product responsibility

- Management of intellectual properties
- Quality control
- Monitoring of after-sales services

Employment relationship

- Health and safety of employees
- Employee training
- Safe production management

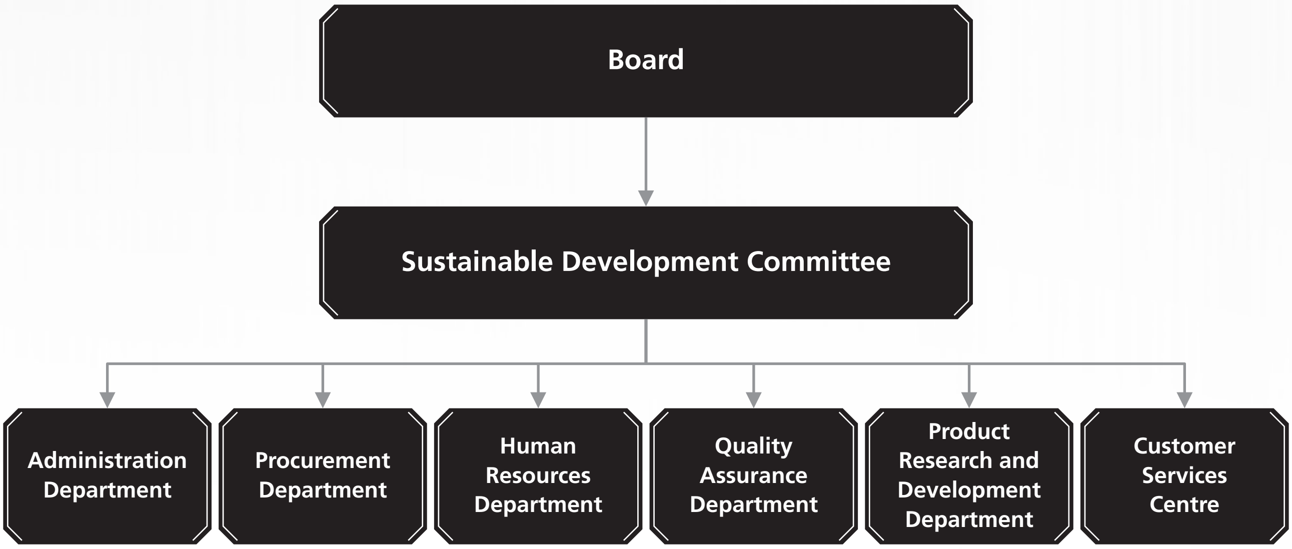
Climate change

- Application of renewable energy and introduction of energy-saving technologies
- Construction of low-carbon supply chain
- Climate risk assessment and emergency response plans

Each thematic scope has relevant policy guidelines and implementation measures. Through the implementation of various policy guidelines and measures, employees can gain a clear understanding of the importance of sustainability, and the management of the Group can also identify and assess important matters relevant to the five themes stated above.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Management Structure and Risk Management



The Group has established its ESG management structure under the leadership of the Board with an aim to further optimise the ESG management system, which will be responsible for various matters in relation to sustainability. Members of the Committee include managing personnel of the Administration Department, Procurement Department, Human Resources Department, Quality Assurance Department, Product Research and Development Department and Customer Services Centre. The Committee members will capitalize on their expertises and work experience to identify environmental, social and governance ("ESG") (including climate change) risks relevant to the Group, and advance and review the implementation of sustainability policies in a timely manner. The primary duties of the Committee are as follows:

– to organise and execute ESG-related works in accordance with the Group's ESG management approaches, strategies and annual works;

– to assist the Board in formulating and implementing climate strategies, goals and roadmaps;

– to collect and report ESG data, implementation and adjustment of policies;

– to assist the Board to supervise and review ESG issues in a timely manner and further improve its strategies and policies for sustainable development; and

– to comply with all ESG-related policies and systems.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Board of the Company bears the responsibility for guiding the Group's overall sustainability strategies, its primary duties are as follows:

– to delegate authority to the Sustainable Development Committee;

– to resolve and approve the Group's ESG management approaches, strategies and annual works, including the assessments, priorities and management of significant ESG issues;

– to take overall responsibility for supervising the Group's climate-related risks and opportunities, and to include climate issues in the agenda of Board meetings as necessary; and

– to regularly review and monitor ESG performance and progress towards goals.

During the Reporting Period, the Company participated in training sessions themed on climate change to enhance the ESG awareness of the Board and relevant personnel, and to assist the management in incorporating climate factors into decision-making processes such as risk management. We are actively considering the possibility of incorporating climate-related key performance indicators into team performance appraisals.

The Group clearly understands the importance of internal control and risk management, as a sound internal control and risk management system is inextricably linked to the progress of an enterprise's sustainability. In the face of existing and potential environmental and social risks and opportunities, the Board of the Group will carry out risk identification in a timely manner, covering risk identification and assessment across multiple levels such as operations, finance, compliance, environmental protection, and climate-related aspects. Upon scientific and effective analysis, the Group will establish principles and approaches to tolerable risks, and assign a dedicated working group to formulate detailed risk management measures against the identified risks. Following the implementation and execution of relevant ESG management solutions by the working group, the Board will regularly review and optimize the Group's sustainability approaches and goals according to the reporting feedback from the working group and various key indicators.

In addition, the internal audit team of the Company conducts review and assessment of the Group's internal control system annually. For details of the Group's risk management and internal control mechanisms, please refer to the section headed "Risk Management and Internal Control" under the "Corporate Governance Report" of the Group's 2025 annual report. We are committed to constantly monitoring and improving the internal control and risk management system to ensure its deep alignment with the Group's sustainability policies, thereby assisting the Group in achieving its long-term vision of sustainability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

The Group is consistently committed to creating long-term value as our core objective and attaches great importance to the opinions and expectations of every stakeholder. Guided by the philosophy of win-win cooperation, we actively endeavor to build mutually trusting and long-term partnerships with our stakeholders, thereby clarifying development priorities and gaining precise insights into the risks and opportunities existing in the market. Our core stakeholders include shareholders, customers, governmental and regulatory institutions, suppliers, business partners, industry peers, employees, as well as the community and the public. The successful preparation of this Report was made possible with the joint participation and unwavering support of the Group's management, colleagues from various departments, and stakeholders from all walks of life, allowing the Group to comprehensively and clearly review our development trajectory and practical achievements in environmental and social aspects.

In 2025, we communicated with stakeholders through the following channels, so as to understand and respond to their expectations and concerns:

Stakeholders	Issues Concerned & Expectations	Communication Platforms and Opinion Collection Channels
Government and regulators	• Compliance with national policies, laws and regulations • Promoting local economic • Promoting local employment • Timely tax payment • Production safety • Energy conservation and emission reduction	• Regular reporting • Regular communication with regulators • Dedicated reports • Inspection and supervision • Communication with local environmental authorities • Submission of reports
Shareholders	• Returns • Operational compliance • Enhancement of corporate value • Information transparency and efficient communication	• General meeting • Announcement of the Company • Email, phone calls and company website • Dedicated reports
Business partners	• Operation integrity • Fair competition • Contract performance according to laws • Mutual benefits	• Review and assessment • Business communication • Exchange of views and discussion • Negotiation for cooperation
Suppliers	• Fair operation • Fair competition	• Review and evaluation • Business communication
Customers	• High-quality products and services • Health and safety • Contract performance according to laws • Operation integrity	• Customer service center and hotline • Customer survey • Customer meeting • Social media platform

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

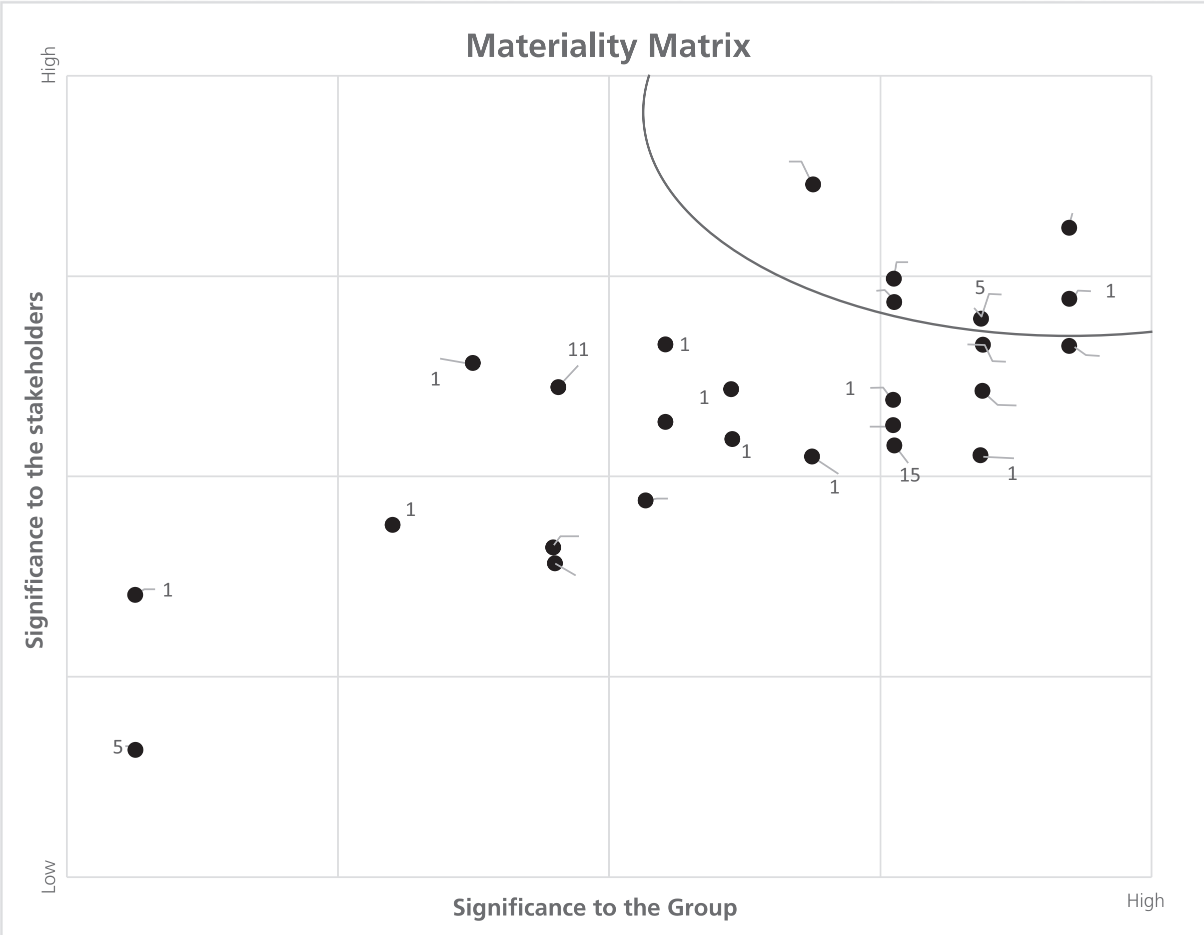
Stakeholders	Issues Concerned & Expectations	Communication Platforms and Opinion Collection Channels
Industry Peers	• Formulation of industrial standards • Promoting industrial development	• Participation in industry forum • Reciprocal visit
Employees	• Protection of interests and rights • Occupational health and safety • Remuneration and benefits • Career development • Care for employees	• Staff meeting • Internal publication and intranet • Employee mailbox • Training and workshops • Employee activities
Community and public	• Improvement of community environment • Participation in public welfare • Open and transparent information	• Company website • Announcements of the Company

Materiality Assessment

In order to manage and disclose important issues for stakeholders and the Group's business more effectively, during the preparation of this report, we engaged an external consulting company to assist in the materiality assessment. Such assessment summarized the expectations of all stakeholders towards the Group's ESG, and reviewed the importance of various ESG issues. The steps and results of the materiality assessment are summarized as follows:

Identify	With reference to the "Guide", peer benchmark companies and industry trends, a total of 29 ESG issues were identified in five major areas.
Prioritize	Invite all stakeholders to anonymously participate in online questionnaire to score and rank the 29 ESG issues that have been identified. The management has also been invited to rank the business importance of related matters.
Analysis	Compile the "Materiality Matrix" based on the scores of the questionnaire and compile a list of sustainable development issues based on materiality.
Accreditation	The management reviews and verifies the "Materiality Matrix" and the list of material issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Workplace Quality

1 Diversity and anti-discrimination
2 Employment relationship and communication
3 Occupational safety and health
4 Training and development
5 Child labor and forced labor
6 Employee benefits

Environment Conservation and Green Operating

7 Greenhouse gas emissions
8 Air emissions
9 Electricity and water saving
10 Use of resource
11 Sewage disposal
12 Waste disposal
13 Green procurement
14 Climate change policy

Operating Practices

15 Supplier assessment and evaluation
16 Evaluation of suppliers' environmental and social performance
17 Anti-corruption policy
18 Anti-money laundering policy
19 Disaster emergency plan

Product and Service Responsibilities

20 Product and service quality
21 Product safety
22 Product research and development
23 Application of environmental protection technology
24 Customer privacy protection
25 Customer complaint handling
26 Customer satisfaction level
27 Intellectual property rights

Community Participation

28 Participate in charitable activities
29 Charity donation

List of Material Issues on Sustainable Development

According to the assessment results, we have summarized 7 material issues on sustainable development as listed in the table below. These issues remain consistent with the previous year, reflecting the sustained high level of importance placed on these 7 areas by various stakeholders:

	Material Sustainability Issues	Report Chapters
	Workplace Quality	
2	Employment relationship and communication	Valuing staff's opinions
3	Occupational safety and health	Safe Work Awareness and Training
6	Employee benefits	Excellent Employee Benefits
	Product and Service Responsibilities	
21	Product safety	Strict Quality Control
22	Product research and development	Product Innovation
25	Customer complaint handling	Customer-centric
27	Intellectual property rights	Protecting Customer Privacy and Intellectual Property Rights

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Product and Service Responsibilities

The Group's business focus centers on electrical DC products, electric vehicle charging equipment, and electric vehicle charging services. We strictly adhere to the "product first and customer-oriented" corporate management policy, consistently driving technological innovation with a research and development attitude of striving for excellence, and continuously bringing forth new ideas in product iteration and technology-related development. We strive to achieve breakthrough innovations in the development of electrical energy application technology, constantly optimizing product performance and service systems to further enhance the utility value and comprehensive benefits of electrical energy. Furthermore, Zhuhai Titans Technology Co., Ltd., a subsidiary of the Group, has purchased product liability insurance to provide corresponding protection for our products and services.

As an enterprise deeply rooted in the field of electrical energy, we do our utmost to fulfill the social responsibilities of an environmental protection enterprise. We actively work hand-in-hand with all sectors of society to jointly address environmental issues such as global warming and resource depletion, taking practical actions to steadily advance toward the ambitious goal of sustainable development. We aim to improve the overall air quality in both urban and rural areas and effectively reduce greenhouse gas emissions through the large-scale popularization and application of clean energy. At the same time, we continue to expand the application scenarios and boundaries of electrical energy, allowing it to penetrate more areas of production and daily life, thereby endowing it with broader social value and industrial influence.

The Group has accumulated over 20 years of rich technical and market experience in the field of electrical DC products. Our core business focuses on providing diverse product solutions, such as high-quality electrical DC systems, intelligent power supply maintenance systems, and advanced grid monitoring and management equipment, to major regional power grid enterprises, led by the State Grid. Building on our profound technological foundation, we are actively positioning ourselves across the upstream and downstream sectors of the electrical energy industry. This expansion extends from the research and development and manufacturing of power equipment to service sectors such as charging pile construction, operation, and maintenance. Our goal is to ensure a smooth strategic transformation from a single equipment supplier to a one-stop comprehensive service provider of charging facilities.

In recent years, the domestic penetration rate of new energy vehicles has continued to climb, surpassing 60% in 2025. Guided by customer needs, the Group is dedicated to building a high-standard and comprehensive quality service system. From pre-sales demand consultation and scheme planning, to mid-sales equipment installation and commissioning guidance, and finally to after-sales maintenance and emergency support, we strive for professionalism and meticulousness in every link to ensure a smooth and worry-free service experience for our customers. At the same time, we are actively positioning and continuously improving the construction of the electric vehicle charging network, expanding its coverage across diverse scenarios to build a convenient and efficient charging service network, thereby laying a solid foundation for the flourishing development of the electric vehicle industry.

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Our core research and development as well as strategic objectives lie in creating stable, reliable, high-efficiency, and energy-saving charging systems and equipment. By introducing advanced intelligent monitoring technologies and optimized energy management algorithms, we ensure the stability and safety of charging equipment during long-term operation, significantly reducing downtime. Meanwhile, leveraging high-efficiency power conversion technology, we minimize energy loss during the charging process, enabling charging facilities to achieve a long-term stable, organized, and efficient operational state. This not only enhances the quality of charging services and customer satisfaction but also effectively reduces resource wastage at the operational level, lowering equipment maintenance costs and energy consumption. Ultimately, this achieves a dual enhancement of ecological and economic benefits, contributing substantial strength to the construction of a green travel ecosystem.

Strict Quality Control

The Group maintains extremely strict standards for the quality and safety of final products. From raw material acceptance and production process monitoring to semi-finished product sampling and final product inspection before delivery, we have constructed a comprehensive, multi-faceted quality monitoring system to ensure that every production stage is under rigorous supervision and precise measurement.

On the production line, every operator is required to strictly implement the "Three Self-One Control" operational principles: conducting self-inspection by checking product quality item-by-item for their respective processes; segregating products by completely separating qualified and unqualified products based on inspection and test results; applying identification labels to clearly mark status and batch information; and simultaneously controlling the self-inspection pass rate to ensure process quality stability through quantified indicators. On-site supervisors conduct unscheduled patrols of various production posts and complete detailed quality inspection records to ensure that all operators work strictly in accordance with standard work guidelines. All semi-finished products must pass professional equipment testing by the quality inspection department and obtain a qualification label before proceeding to the next production stage.

Once qualified raw materials and semi-finished products are processed into finished products, the quality inspection team initiates the final factory inspection process to comprehensively verify product performance, parameters, and safety indicators. The entire inspection process results in standardized documentation, including the "PCBA Semi-finished Products Inspection Record Sheet", "Testing Inspection Record Sheet", and "Factory Inspection Report", which store detailed full-chain inspection data from semi-finished products to finished products, ensuring quality is verifiable and traceable.

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Beyond strictly implementing routine inspection standards, the Group also customizes exclusive inspection schemes based on the personalized requirements in customer orders, ensuring that finished products not only meet national standards but also precisely fulfill various customer expectations. At the same time, starting from the raw material acceptance stage, we implement unified coding management for raw materials, semi-finished products, purchased components, and final products. By assigning unique identification codes, we achieve quality traceability across the entire product life cycle. If any potential issues are identified, relevant personnel can promptly locate the problematic link and implement timely corrective and preventive measures to ensure the stability and reliability of overall output quality.

Given our high regard for quality control, enhancing employees' quality management knowledge and skills has become one of the Group's core strategic tasks. We regularly organize professional training sessions covering various production and management posts, with content including the application of quality control tools, standard operating procedures, and problem analysis and resolution methods. We encourage all employees to actively participate in quality management to optimize production processes and improve product quality from the source.

The Group deeply understands that the key to an enterprise's long-term development is not merely meeting customer needs, but exceeding customer expectations with an attitude of striving for excellence. We consistently uphold this philosophy, pursuing excellence in product quality without end. This not only consolidates long-term cooperation with existing customers but also builds a strong reputation within the industry, continuously attracting the attention and favor of new customers. Regarding quality management system construction, the quality management system implemented by the Group has fully complied with the ISO9001:2015 international standard since 2005. We have built a scientific and robust quality management system centered on core principles such as "focusing on customer needs, strengthening senior management governance, implementing process methods, and adhering to continuous improvement". Furthermore, since 2017, the Group has been awarded the "Qualification of Supplier of Charging Facilities for State Grid" (國網充電設備供應商資質) for eight consecutive years. As a national high-tech enterprise, our core technology and product quality have received high recognition from national authoritative departments.

Product Innovation

The Group has always attached great importance to the development of new products, as innovation is the core driving force for sustaining our competitive edge in the market. To consolidate the Group's position as a technology leader in the industry, we will continue to listen to market needs, continuously enhance the optimization and upgrading of our existing product portfolio as well as our research and development capabilities for potential new product innovations, while consistently investing in key areas such as human resources reserves, hardware upgrades for research and development equipment, and product software development. As of 31 December 2025, the Group added 10 patents and 8 software copyrights. To date, the Group has obtained over 70 patents and more than 100 software copyrights. Despite the large number of products, we maintain uncompromising quality control over each stage, from new product design and pilot production to mass production. Our continuous monitoring steps include the following:

– Pilot production of new products shall only be approved after specialists in the research and development department assess the manufacturing feasibility, practicality, and reliability of the new product design;

– Qualified products will be put into mass production only after passing functional and performance testing by specialists and users;

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– Research and development personnel are responsible for closely monitoring new products for one year upon their official launch and offering assistance in solving problems encountered during production. Any projects that fail validation must undergo repeated design modifications until they pass before entering the production stage; and

– Remaining open to diverse opinions and encouraging employees to express ideas or suggestions, while actively incorporating their design and functional feedback into the development process to create a dynamic and innovative business environment.

The Group is committed to innovation and its practical application, constantly researching and developing various types of charging equipment. We actively explore the integration of diverse technological paths to create high-quality products that precisely satisfy users' needs and meet operators' requirements. During the Year, integrated transportation energy stations and charging and swapping demonstration stations remain our core key projects. By continuously improving the closed-loop industry chain of "research and development – production – application demonstration", we are accelerating the construction of regional energy storage systems to inject continuous technological momentum into the optimization and upgrading of local charging service networks. Furthermore, we actively promote the implementation of cutting-edge technologies in charging station scenarios, integrating advanced systems such as new energy power generation, energy storage power stations, and micro-grid power stations. By incorporating various energy sources such as city power, wind power, and solar energy, we achieve multi-energy complementarity and effectively improve overall energy utilization efficiency.

To meet the diversified needs of the market, the charging equipment researched and developed by the Group features extensive vehicle model compatibility. It not only covers mainstream models such as electric private cars and electric buses but also meets the charging requirements of specific vehicles such as logistics vehicles, commuter vehicles, airport shuttles, and new energy vehicles in mining areas. Based on the operational characteristics of different scenarios, we provide matching personalized charging solutions. For instance, when participating in electric bus charging station construction projects, we customize intelligent charging equipment with dual functions of "fast charging + one-to-many slow charging" to address the operational needs of providing fast energy replenishment for a small number of vehicles during the day and centralized slow charging for a large number of vehicles at night. This equipment not only flexibly responds to different charging requirements day and night but also possesses the dual advantages of high equipment utilization and safe, stable operation, assisting operators in achieving cost reduction and efficiency enhancement.

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Green Smart Energy Infrastructure

Expansion of Charging Network

On 7 July 2025, the General Office of the National Development and Reform Commission and other authorities issued the "Circular on Promoting the Scientific Planning and Construction of High-Power Charging Infrastructure". The circular points out the need to strengthen the overall strategic planning of high-power charging facilities. By the end of 2027, the goal is to strive for more than 100,000 high-power charging facilities nationwide, achieving iterative upgrades in service quality and technological application. It also emphasized strengthening the operational and safety management of high-power charging facilities, promoting their integrated development with the power grid, and timely creating a group of high-power charging application cities and expressway corridors with demonstrative effects to drive high-quality development. Under this strategic goal, the Group has continuously improved the design and craftsmanship levels of its two manufacturing plants in Zhuhai, Guangdong, and Tangshan, Hebei, consistently gaining customer recognition through reliable quality and excellent service.

Regarding our existing market advantages, the Group will further consolidate its leading position in the two major sectors of high-power fast charging and intelligent flexible charging. Using this as a solid foundation, we will accelerate the implementation and market application of standardized products. For the four core application scenarios – public charging stations, destination charging, expressway network energy replenishment, and battery charging and swapping for heavy-duty trucks – we will formulate highly targeted product selection strategies based on factors such as total equipment power matching, charging terminal configuration planning, single-module power screening, and dynamic power distribution modes. Our goal is to provide customized solutions for customers across various scenarios, thereby rapidly reaching a broader customer base and gradually building a comprehensive energy ecological network with full coverage.

The Group is strategically pivoting resources toward the high-potential heavy-duty truck battery charging and swapping sector. By fully drawing on the successful experience of completed battery swapping projects for heavy-duty trucks, we are conducting on-site market intelligence in high-density operational hubs such as logistics parks and ports. This enables us to precisely analyze the core demands and critical pain points of our target clients – specifically regarding range assurance, swapping efficiency enhancement, and operational cost optimization – to deliver highly compatible, tailor-made battery charging and swapping solutions. Simultaneously, the Group will strategically deploy intelligent battery charging and swapping stations for heavy-duty trucks to construct an energy replenishment system covering key trunk transportation networks. To effectively enhance the stability and reliability of green power supply, the Group plans to leverage advanced Battery Management Systems (BMS) and Energy Management Systems (EMS) as its core technological backbone. In alignment with the actual needs of relevant enterprises and existing industrial and commercial energy storage scenarios, the Group is aggressively advancing its layout within the energy storage industry. Our comprehensive capabilities now encompass the entire project lifecycle, including research and development design, investment, construction, and operational management of industrial and commercial energy storage projects. By focusing on three major areas – industrial and commercial energy storage, integrated photovoltaics and storage projects, and comprehensive new energy replenishment stations – we aim to drive synergistic development and value co-creation across the green energy industry.

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Innovative and Comprehensive One-Stop Online Platform – "EV Link"

Driven by the burgeoning trends of the internet economy, the Group acutely recognized that a feature-rich and optimized charging information integration platform would fundamentally redefine the consumer's electric vehicle usage ecosystem. To fill existing technological gaps and seize industry development opportunities, we have spearheaded the creation of "EV Link", a user-friendly, one-stop mobile application. By streamlining the process for users to locate and utilize charging stations, the platform actively accelerates the popularization of electric vehicles.

"EV Link" offers a robust suite of practical core functions. Beyond providing essential services such as station distribution queries, real-time monitoring of charging pole status, and automated navigation to designated locations, the platform features a charging equipment reservation system. This allows users to avoid queuing on-site, significantly saving valuable time. Furthermore, the application displays real-time charging progress and sends notifications based on battery status, effectively preventing travel interruptions due to insufficient power or battery degradation caused by overcharging. Regarding payments, "EV Link" is compatible with multiple mainstream platforms, enabling one-click settlement and creating a closed-loop EV charging service that covers all scenarios.

Our core objective in developing this application is to eliminate the public's concerns regarding hardware and software infrastructure when transitioning to electric vehicles. Through the convenient features of "EV Link", we empower users to plan more comprehensive travel routes, saving extra miles driven to find charging stations and thereby reducing unnecessary energy consumption and gas emissions. We continuously optimize the program based on customer feedback and market research and development results to make EV charging services more convenient. Currently, the number of "EV Link" users has reached 1,516,682, representing a 40% increase compared to 1,062,159 users in 2024.

Customer Orientation

Customers are not only the users of the Group's products, but also our vital partners and companions in advancing toward global sustainable development. To this end, we attach great importance to their valuable opinions and maintain close contact through diversified communication channels, including e-communication platforms, online message boards, and 24-hour service hotlines. The Group adheres to a customer-oriented business philosophy, always acting in the best interests of our customers to continuously optimize the quality of our products and services. We prioritize customer needs and suggestions, regarding customer satisfaction as our core quality objective and establishing corresponding performance indicators across different business segments. Furthermore, we emphasize providing customers with comprehensive after-sales support, committing to the implementation of four major service principles: "24-hour service", "advance service", "all-inclusive service", and "lifecycle service". Our service scope spans the entire product lifecycle, covering all stages from manufacturing and installation to commissioning and maintenance.

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The Group maintains a dedicated 24-hour service hotline to respond to customer inquiries and complaints at any time. We are committed to providing and implementing a clear maintenance solution within one hour of receiving a complaint and ensuring that service personnel arrive on-site within 24 hours in designated service areas. We endeavor to provide our customers with comprehensive services and quality products to enhance satisfaction. The Group pledges to provide customers with products characterized by reliable quality, advanced technology, reasonable pricing, and attentive service in a precise manner, striving to meet and exceed their expectations. To this end, we strictly ensure that product information is clear and accurate, providing customers with detailed explanations of product specifics and technical specifications, and guaranteeing the truthfulness of all data in sales materials. We strictly prohibit the publication of false or misleading statements in any form of communication to safeguard the legitimate rights and interests of our customers. On this basis, the Group aims to achieve the sustainable development goal of mutual benefit and win-win results by providing high-quality, safe products and services.

Protecting Customer Privacy and Intellectual Property Rights

The Group is deeply aware that the protection of clients' privacy is provided by national law and regulations, it is also the basic principle for a high quality company. In light of this, we have adopted the following measures to protect the personal information of clients:

– Except for the requirements under relevant laws and regulations, we will not share or disclose users' personal information to a third party without prior consent of users;

– All information is professionally encrypted before storage and delivery to safeguard the security of users' personal information;

– Established an extensive management system for intellectual property;

– Each user of the mobile application "EV Link" must agree not to transmit, disseminate, distribute and store any content which is in breach of others' legal rights, such as right to reputation, portrait rights, intellectual rights and trade secrets, for the purpose of building respect for intellectual property rights among users; and

– We also entered into a Confidentiality Agreement with employees, suppliers and clients to enhance protection of trade secrets for securing legal interests of both parties

Through the stringent implementation of various management measures, the Group has successfully passed the assessment and was recognized by the Zhuhai Intellectual Property Office as one of the "Enterprises with Intellectual Property Advantages in Zhuhai City". The criteria for such recognition are rigorous, requiring participating enterprises not only to be equipped with dedicated intellectual property personnel and a comprehensive intellectual property management system but also to meet specific mandatory indicators – possessing 30 or more valid patents, with the total number of valid innovation types and utility-models being no less than 20. It is worth noting that in the past three years, the Group has had no instances of manufacturing or selling counterfeit goods, nor any identified breaches of intellectual property rights through administrative or judicial procedures. Successfully passing this assessment is not only a high level of affirmation from relevant authorities regarding the Group's intellectual property management, but it also validates our determination and actions in strictly upholding our commitment to intellectual property protection.

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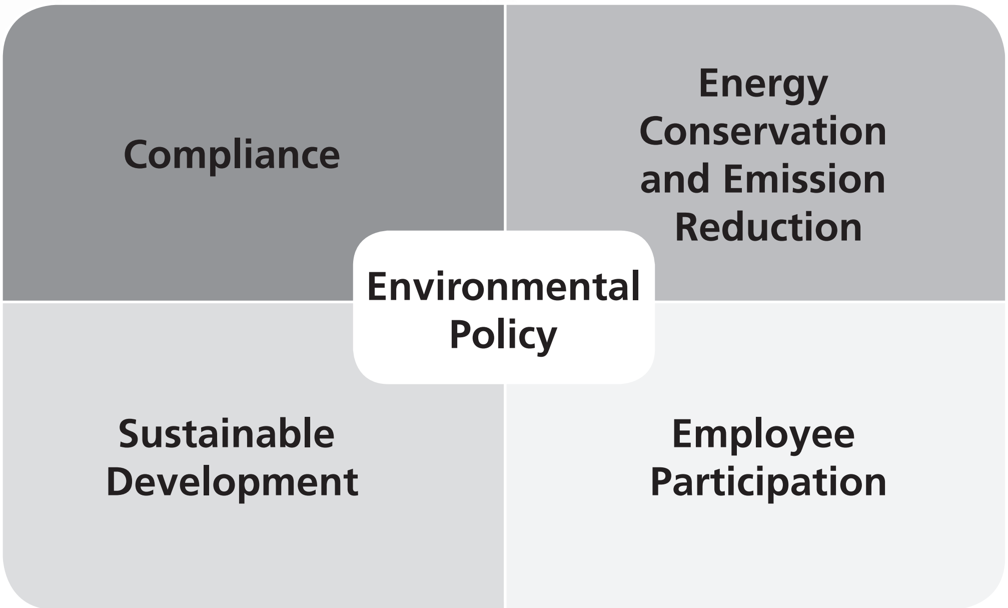
During the Reporting Period, the Group was not aware of infringement of laws and regulations in relation to personal privacy and intellectual property, including but not limited to the Advertising Law of the PRC, the Trademark Law of the PRC, the Patent Law of the PRC and the Copyright Law of the PRC, and the Civil Code of the PRC.

PURSUE GREEN DEVELOPMENT

Global warming has been escalating, leading to various impacts and challenges. As a manufacturer of green energy facilities, the Group shoulders the role and mission of promoting green and sustainable development in the community. In addition to driving the growth of the green industry through product research and development and innovative design, we also actively implement a variety of energy-saving and carbon reduction measures in our business operations. For instance, in the construction of new plants, we fully integrate eco-friendly design concepts to enhance energy efficiency and reduce overall energy consumption. Our environmental management system has obtained ISO 14001:2015 international standard certification. Moving forward, we will continue to rely on our robust management system and the execution of various environmental protection policies, leveraging our industrial influence to contribute to the protection of the ecological environment.

We have established the following four environmental policies at four levels:



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Strict Compliance with Regulations

The Group adheres to the principle of "strict compliance with laws and regulations and full compliance with emission standards". We strictly follow the laws and regulations on emissions of the local governments where we operate and fulfill our civic compliance obligations, which include but are not limited to the Environmental Protection Law of the PRC, the Air Pollution Prevention and Control Law of the PRC, the Solid Waste Pollution Prevention and Control Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, and the Energy Conservation Law of the PRC. To ensure that emissions of gas, noise, and solid waste meet the required standards, we have established the "Management Measures for Identifying and Evaluating Environmental Factors and Sources of Danger". This allows us to acknowledge and control material environmental factors and sources of danger by identifying and evaluating those within our control or under our prospective influence. For these material environmental factors, we commission qualified third-party companies annually to conduct comprehensive testing of wastewater, drinking water, exhaust gas, and noise. During the Reporting Period, we were not aware of any breaches of environmental laws and regulations by the Group.

Energy Conservation and Consumption Reduction

The Group's environmental policy explicitly states the principle of "energy conservation, reduction of consumption, and uncompromising emphasis on accident prevention". As a member of society, we shoulder the responsibility of utilizing the world's limited resources rationally and actively adopt various resource management and conservation measures. The Group's primary energy consumption, greenhouse gas emissions, and air emissions originate from purchased electricity, liquefied petroleum gas used in canteens, and petrol consumed by our own vehicles. Over the past years, we have spared no effort in promoting energy conservation, regularly reviewing its effectiveness to identify and bridge performance gaps for continuous improvement.

For a long time, the Group has been committed to reducing energy consumption in its business processes while introducing various green products. We have replaced some of our vehicles with electric vehicles to substitute traditional petrol-powered ones, effectively reducing gas emissions from road transport. Furthermore, in response to government energy-saving initiatives, we set the air conditioning temperature to 26 degrees Celsius in summer to lower overall electricity consumption. Simultaneously, we re-examined the spatial design and actual needs of various workspaces to minimize unnecessary energy waste. For example, lights are switched off in restrooms during the daytime when natural light is sufficient; in office areas with high ceilings and good ventilation, fans are prioritized to reduce air conditioner usage time. In our operational processes, product testing consumes significant power. To achieve our energy-saving goals, through our research and development and the implementation of the "Energy Storage Power Conversion System", we automatically control charging and discharging procedures to enable bidirectional energy flow, substantially reducing electricity consumption during the testing phase.

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As the Group's business scale continues to expand, the demand for servers has risen significantly. The increase in the number of servers not only expands server room requirements but also raises the load on cooling systems. Due to the high heat generated by servers, additional air conditioning equipment is required to maintain stable temperatures. To reduce server usage, some of our subsidiaries have implemented a hybrid cloud system to effectively relieve the operational demand on servers and air conditioning, achieving the goals of energy saving and carbon reduction.

In addition to enhancing energy efficiency through technological upgrades, the Group also implements energy-saving measures at the source. We require employees to ensure all electrical equipment, including computers, air conditioners, fans, and lighting, are switched off when leaving office areas to eliminate power waste. Furthermore, we actively promote water conservation concepts. Although the Group's water supply comes from the municipal system with no difficulty in procurement, we still urge employees to use water sparingly when washing hands and to ensure faucets are tightly closed after use to prevent leakage and waste.

Raising the Environmental Awareness of Employees

The Group actively promotes environmental protection concepts, aiming to enhance the environmental awareness and participation of all employees to jointly create a high-quality working and living environment. With the accelerated progress of modernization and informatization, the Group's operational model is gradually transitioning toward digitalization. We have vigorously implemented a digital office within the Company, encouraging staff to utilize computer information systems for internal and external communication and collaboration, thereby minimizing the negative environmental impacts of our business activities. The Group has introduced an Office Automation (OA) system, migrating various administrative procedures – such as internal communication, training applications, and leave requests – to online processing, striving toward the goal of a paperless office. This OA system not only provides a one-stop platform for administrative tasks but also incorporates more than 20,000 standardized processes. This enables relevant staff to track work progress anytime and anywhere while effectively reducing paper consumption during internal communication and approval stages. Regarding business operations, the Group utilizes an Enterprise Resource Planning (ERP) system to cover the entire business process. From procurement requests to the completion of customer transactions, various business documents – such as purchase orders and sales orders – have been replaced by electronic documents instead of traditional paper versions, significantly reducing paper usage. Simultaneously, to further improve paper utilization, we actively advocate for double-sided printing and have established recycling points for single-sided waste paper in office areas, encouraging employees to reuse such paper for daily note-taking.

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Environmental Sustainability

The Group is committed to promoting environmental sustainability by practicing the "3R" environmental concept – "Reduce", "Recycle", and "Reuse" – within its business operations.

In terms of "Reduce", we focus on minimizing the consumption of packaging materials by adopting simple and practical packaging solutions to eliminate extravagance and waste. As the primary non-hazardous waste generated by the Group consists of domestic waste, we actively encourage employees to reduce the use of disposable items. Simultaneously, we have adjusted the waste management model for dormitories from scheduled collection by cleaning staff to self-sorted disposal by employees. This shift aims to strengthen employees' awareness of waste reduction and decrease the consumption of garbage bags.

In terms of "Recycle", we actively implement various resource recycling plans to redevelop and effectively utilize underutilized resources. We reuse certain packaging materials, such as wooden pallets and cartons, while requiring employees to collect recyclable waste in centralized locations to prevent such materials from being discarded as scraps. Since 2023, we have fully adopted plastic boxes to replace cartons; therefore, no data related to carton recycling was generated this year. Plastic boxes are more durable and support repeated reuse, fully embodying the Group's consistent environmental philosophy. Regarding hazardous waste, according to the "Directory of National Hazardous Wastes" published by the Ministry of Ecology and Environment, the hazardous waste generated by the Group is categorized as HW49 other wastes. These originate from exhaust gas treatment and related auxiliary processes, specifically including organic matter, organic peroxides, and their containers, such as empty waste drums, waste rags, and waste activated carbon. All such wastes are transferred to accredited hazardous waste recycling and treatment enterprises for professional disposal. Since 2023, we have upgraded the conformal coating process from manual application to spray coating equipment, effectively reducing the volume used; meanwhile, we have switched to eco-friendly conformal coating to further minimize the generation of hazardous waste. Additionally, we conduct waste sorting advocacy and training for all employees, requiring them to separate and clearly label recyclables and waste, strictly prohibiting the mixing of recyclable resources with waste or direct discarding.

In terms of "Reuse", we require suppliers to provide customized pallets according to customer standards and reuse them throughout the entire production workflow. This extends the useful life of the pallets and avoids significant pallet waste.

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Tackling the Challenges of Climate Change

Climate change is a global challenge that affects communities and businesses as a whole. In recent years, the problems stemming from climate change have become increasingly acute, with the most significant impacts being escalating global warming and the frequent occurrence of extreme weather events. Although global warming has not yet had a significant impact on the Group's operations, we will continue to pay close attention to climate change issues and adopt appropriate measures in a timely manner according to actual conditions. On this basis, we have constructed a framework to address climate change and systematically promote low-carbon development. The Group has formulated the "Contingency Plan for Work Safety Incidents" and incorporated solutions for handling natural disasters caused by climate change into the plan. This ensures that in the event of such disasters, the Group can promptly initiate response measures to minimize losses.

When addressing extreme weather such as typhoons, the Company prioritizes personnel and travel safety by implementing systematic deployments. Key measures include: establishing an emergency response mechanism to ensure rapid action during contingencies; tracking weather changes in real-time while following professional directives from government authorities; and preparing necessary emergency supplies in advance. We have formulated a typhoon contingency plan that covers securing windows, doors, and power sources in office areas, properly disposing of greenery or items prone to falling, moving outdoor equipment indoors, and implementing flood prevention measures for all passageways. Furthermore, we have enforced a duty roster system, pre-determining duty leaders and schedules to ensure coverage of all members of the Titan Technology Safety Committee, thereby guaranteeing effective coordination and response during emergency periods.

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Furthermore, in terms of power utilization, the Group has begun integrating photovoltaic power generation into its charging stations. By utilizing solar energy for direct power supply, we reduce dependence on traditional electricity from the external grid, thereby lowering indirect carbon emissions during station operations. Photovoltaic power generation produces virtually no instantaneous greenhouse gas emissions, and its carbon footprint across its entire lifecycle is significantly lower than that of fossil fuels. This helps the Group more effectively control greenhouse gas emissions in daily operations, enhance energy efficiency, and participate in climate change mitigation in a more practical manner.

The Company consistently responds to the national "Dual Carbon" strategic deployment and policy requirements such as the "Energy Conservation Law of the People's Republic of China". We deeply integrate green and low-carbon concepts into the entire corporate operational process, identifying climate change mitigation and sustainable development as vital development goals. To realize value chain decarbonization and environmental responsibility, the Company systematically promotes green transformation across multiple dimensions – from product design and supply chain management to production operations and corporate governance. Through rigorous audits by authoritative institutions, we have successively obtained the "Green Supply Chain Certification" (綠色供應鏈認證證書), "Low-carbon Product Certification" (低碳產品認證證書), "Green Enterprise Certification" (綠色企業認證證書) and the "Green Design Product Management System Certification" (綠色設計產品管理體系認證證書).

These certifications serve as authoritative endorsements of the Company's green development achievements and validate our systematic efforts in practicing low-carbon concepts and controlling carbon footprints. The construction of a green supply chain ensures upstream and downstream synergy in carbon reduction; low-carbon product research and development and green design reduce environmental impacts at the source; and the green enterprise certification standards cover core indicators such as energy conservation, greenhouse gas emission control, and environmental management. Guided and constrained by this series of green certifications, the Company continues to optimize its operational model and actively disseminate green development philosophies. We continue to exert efforts in reducing greenhouse gas emissions and mitigating potential risks brought by climate change, demonstrating our determination to proactively assume environmental responsibility while providing practical references for the industry's green transformation, contributing to the overall global goal of tackling climate change.

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Climate Risk Management

The Group's Sustainable Development Committee is committed to utilizing strategic means, such as feedback from internal and external stakeholders, to identify ESG-related risks, particularly those associated with the environment and climate. In this process, the Committee also identifies business opportunities and reports relevant progress to the Board. To evaluate the specific impacts of these risks on the Group, we have implemented a prioritization process. Subsequently, based on the assessment results, we develop targeted response measures and periodically review the effectiveness of existing measures, aiming to effectively control and mitigate relevant risks.

We fully recognize that potential environmental and climate change risks may lead to both financial and non-financial losses for the Company's operations. These risks include: (i) transition risks involving policy adjustments, laws and regulations, technological advancement, and evolving market dynamics; and (ii) physical risks arising from extreme weather events, such as snowstorms, hurricanes, floods, and sustained high temperatures.

Physical Risk Analysis

Specific Risk	Potential Impact	Climate Opportunity	Time Horizon	Key Response Measures
Extreme weather (typhoons, floods, high temperatures, freezing, etc.)	1. Damage to battery charging and swapping station equipment, short circuits, and service interruptions; 2. Suspension of operations at power electronics production bases; supply chain disruptions; 3. Damage to charging pile inventory for for electric vehicles; transportation delays; 4. Grid fluctuations leading to unstable charging services and customer churn	1. Stimulate demand for emergency battery charging/swapping equipment and energy storage backup power; 2. Promote the construction of integrated photovoltaic-storage-charging stations to enhance facility resilience; 3. Expand the market for power electronic products adapted to extreme weather	Short-term (0-1 year)	1. Adopt high-standard protection (e.g., IP67) for production bases and battery charging and swapping stations; 2. Deploy intelligent monitoring for real-time extreme weather warnings; 3. Establish emergency power generation and energy storage systems to guarantee power for critical operations; 4. Optimize warehousing and logistics; formulate emergency contingency plans for extreme weather
Water scarcity/ drought	1. Insufficient hydropower supply leading to increased electricity costs for production and charging; 2. Water shortage in cooling systems affecting the production efficiency of power electronics; 3. Construction restrictions in certain regions, delaying the buildup of battery charging and swapping stations	1. Develop high-efficiency water-saving equipment to capture the green production market; 2. Promote green power procurement to reduce dependence on traditional hydropower; 3. Expand energy storage supporting businesses to mitigate power supply fluctuations	Medium-short term (1-3 years)	1. Adopt water recycling systems in production processes to improve water utilization rates; 2. Increase the proportion of green power procurement (e.g., PV, wind power); 3. Deploy energy storage projects to ensure power supply stability; 4. Prioritize regions with sufficient water resources for constructing new bases and sites
Grid load fluctuation (climate-induced peak demand)	1. Grid overload during peak charging hours, leading to restricted charging services; 2. Power electronics equipment prone to damage due to voltage instability; 3. Increased power distribution costs, squeezing profit margins	1. Promote V2G technology to participate in grid peak shaving and earn auxiliary service income; 2. Deploy energy storage systems for peak shaving and load shifting to reduce electricity costs; 3. Expand the market for smart charging solutions	Medium-long term (3-5 years)	1. Develop smart orderly charging systems to guide off-peak charging; 2. Construct integrated photovoltaic-storage-charging sites to reduce grid dependence; 3. Participate in virtual power plants and obtain revenue through V2G technology; 4. Collaborate with grid enterprises to optimize power distribution schemes

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Transition Risk Analysis Table

Specific Risk	Potential Impact	Climate Opportunity	Time Horizon	Key Response Measures
Rising carbon prices/ tightening carbon quotas	1. Increased carbon emission costs for production and battery charging and swapping; 2. Fines for failing to meet carbon quotas, leading to higher compliance costs; 3. Decline in product competitiveness and loss of market share	1. Low-carbon product premium, enhancing brand value; 2. Tradable surplus carbon quotas, adding extra income; 3. Support from green credit and subsidy policies, reducing financing costs	Medium-long term (3-10 years)	1. Promote energy-saving transformation of production processes to improve energy efficiency; 2. Expand the use of green electricity to reduce carbon emissions; 3. Apply for green certifications to secure policy subsidies
Changes in policy and regulation (dual carbon goals, environmental standard upgrades, etc.)	1. Legacy electric vehicles and charging equipment facing phase-out risks; 2. Complex approval processes for new businesses, extending construction cycles; 3. Increased compliance costs and rising profitability pressure	1. Seize green technology high ground, align with policy orientation, and gain first-mover advantage; 2. Participate in industry standard setting to enhance industry discourse power; 3. Benefit from policy incentives, such as tax reductions and subsidies	Medium-long term (3-10 years)	1. Closely track policy dynamics and adjust product and business structures in advance; 2. Increase research and development investment to develop products and technologies meeting new standards; 3. Strengthen cooperation with the government and participate in policy pilot projects; 4. Establish a compliance management system to ensure compliant business operations
Technology substitution risk (rapid iteration of green technologies)	1. Traditional power electronics and charging technologies falling behind, leading to unsalable products; 2. High costs for upgrading battery charging/swapping facilities, extending ROI cycles.	1. Lead the industry through technological innovation and enhance core competitiveness; 2. Expand technical service businesses to provide upgrade solutions for the industry; 3. Deploy in emerging fields such as hydrogen charging and wireless charging	Long-term (5-10 years)	1. Establish special research and development funds focusing on green technology research and development; 2. Cooperate with universities and research institutions to accelerate technology transformation; 3. Establish a technology iteration mechanism to timely update products and services; 4. Diversify deployment to reduce dependency on a single technology
Shift in market demand (green consumption upgrades)	1. Decreased demand for non-green products, leading to inventory buildup; 2. Brand image damaged and user trust decreased	1. Meet consumer green demand and expand market share; 2. Build a green brand and enhance product premium capabilities; 3. Expand value-added services such as NEV leasing and green charging packages	Medium-short term (1-3 years)	1. Optimize product structure and focus on promoting low-carbon, high-efficiency products; 2. Carry out green marketing to disseminate brand green concepts; 3. Launch green leasing and charging packages to attract users; 4. Establish a green behavior incentive mechanism for users

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We recognize that climate-related risks and opportunities, both currently and in the future, may impact the Group's core business segments to varying degrees, including the research and development and production of power electronic products and equipment, electric vehicle sales and leasing, charging services, and the construction and operation of charging piles. As an enterprise deeply rooted in China's new energy sector, we are well aware that climate change is not only a global issue but is also closely linked to domestic "Dual Carbon" goals, new energy industry policies, and regional power supply stability. Although the frequent occurrence of extreme weather events in recent years has brought potential shocks to the industrial chain, and climate change is subject to significant uncertainties influenced by multiple factors – such as policy adjustments, technological iterations, and regional energy structure differences – we consistently respond with a scientific approach. To further understand and assess the potential impacts of climate risks, we have initiated scenario analysis. We selected public scenarios listed in the "Guidance for Climate Disclosures under HKEX ESG reporting framework". Priority was given to conducting scenario analysis on physical risks where potential impacts are widespread, external parameter availability is high, and internal business forecast data is relatively mature. This aims to understand the potential impacts that climate-related physical risks may have on the Company's business and operations under different climate scenarios, thereby continuously enhancing our climate resilience. We utilize international mainstream climate models from the IPCC (Intergovernmental Panel on Climate Change) combined with public data from China's power grid layout and new energy vehicle industry planning. Through climate scenario analysis, we comprehensively evaluate the impact of climate change on the Group's entire business chain across the short, medium, and long term.

Regarding physical risks, the Group's business covers power electronic equipment production bases, electric vehicle charging pile storage, and charging pile sites distributed nationwide. Furthermore, our business operations are closely linked to regional power supply and transportation. However, thanks to our diversified layout strategy within China – with production bases covering industrial clusters in East, South, and North China, and a charging pile network covering tier-1 to tier-3 cities as well as key highway networks – the impact of extreme weather in a single region (such as localized flooding, high temperatures, or freezing) on our overall business remains relatively limited. Based on historical data, past extreme weather events have not caused significant shocks to the Group's core business, nor have there been instances of large-scale charging pile outages, equipment production interruptions, or the paralysis of electric vehicle leasing and sales operations.

According to the results of our scenario analysis, future physical risks are primarily concentrated in two areas: first, the damage to charging pile sites caused by extreme weather (such as short circuits due to heavy rainfall or blizzards affecting the operation of outdoor piles) and interruptions to power supply, which in turn affect the continuity of charging services; second, drought in certain water-scarce regions may impact the stability of hydropower supply, indirectly affecting electricity costs for production bases and charging piles. In response, we have constructed a comprehensive response system: a business continuity plan has been formulated for the production phase, equipped with emergency power generation equipment and green power energy storage devices to ensure that the production of core power electronic components is not affected by short-term power outages. On the charging pile business side, we continuously optimize equipment protection levels and upgrade intelligent monitoring systems to monitor the operational status of outdoor piles in real-time. We have also established emergency linkage mechanisms with local power and transportation management departments to deploy protective measures in advance. Simultaneously, we are building a flexible supply chain to ensure the transportation and replenishment efficiency of electric vehicles and components under extreme weather conditions, thereby minimizing the negative impact of physical risks on our business.

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In terms of transition risks, as a participant in China's new energy industry, the Group's business is highly integrated with the development of the domestic carbon market, green power policies, and adjustments to new energy vehicle industry standards.

Scenario analysis indicates that with the expanding coverage of the domestic carbon market, the gradual upward adjustment of carbon prices, and the successive inclusion of the Group's new production bases and charging pile sites into the carbon accounting system, carbon emission costs may become one of the core operating costs in the future. In response, the Group has proactively deployed a green transformation: on the power electronic equipment production side, we are driving energy-saving technology upgrades to improve product energy efficiency ratios, increasing the proportion of green power procurement – such as photovoltaics and wind power – and constructing rooftop photovoltaic power generation systems for our factories. On the charging pile business side, we are vigorously promoting the construction of integrated photovoltaic-storage-charging sites, integrating energy storage equipment with photovoltaic power generation to reduce dependence on the traditional grid while enhancing the stability and cost-effectiveness of charging services. Following the trend of increasing green energy supply capacity and decreasing unit operating costs in China, these green projects will achieve "low-cost carbon reduction and efficiency enhancement", effectively controlling carbon emissions and compliance costs. Simultaneously, the green transformation also brings new growth opportunities to the Group.

Under different future climate scenarios, the Group will face differentiated transition and physical risks. However, leveraged by our technical accumulation in the power electronics field, market layout in the new energy vehicle business, and flexible planning of the charging pile network, we have developed strong climate resilience, enabling us to capture industry opportunities while addressing risks.

Nevertheless, tackling climate change is recognized as a long-term process. Climate policies, carbon accounting standards, and new energy subsidy policies across China may undergo dynamic adjustments; uncertainties also exist in grid upgrade progress and the speed of green technology iteration. Therefore, the actual climate scenarios and their ultimate impact on the Group's business require continuous tracking. Based on this, the Group will continue to deepen its presence in the Chinese market, closely following national "Dual Carbon" goals and new energy industry planning. We will monitor domestic climate, environmental, and regulatory policy trends in real-time to dynamically optimize our green transformation strategy. We aim to promote environmentally friendly production and operation models across the entire value chain – from the procurement of power electronic components to electric vehicle sales services, and from charging pile site planning to the recycling of decommissioned equipment – fully implementing low-carbon management. Meanwhile, we will strengthen cooperation with government departments, industry associations, scientific research and development institutions, and industrial partners to jointly develop green power electronic technologies and high-efficiency charging solutions suitable for the Chinese market. We will also participate in the formulation of industry low-carbon standards to support collaborative decarbonization across the industrial chain.

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Goal Setting

Based on our past environmental performance and the specific characteristics of our office operations, the Group has formulated environmental goals using 2025 as the base year. We aim to achieve the following by or before 2030:

1) Reduce electricity consumption in industrial parks by 10%;

2) Increase the total amount of greenhouse gas emissions avoided through the use of electric vehicles (in tonnes of CO_2 equivalent) by 5%.

Goals to reduce emissions during the business process

The Group will actively seek to reduce the negative impact on the environment in its business processes and gradually maintain or reduce the exhaust gas, greenhouse gas, waste and water consumption generated during production

Goals to improve energy management

The Group will make efficient use of various types of resources, such as energy, water, and raw materials, to improve reuse rates and efficiency, while strengthening waste management and emission control.

TALENT-ORIENTED

One of the four "Ts" stands for talent. "Talent-oriented" is one of the cornerstones of the Group's culture and a crucial pillar of the Group. Thus, we always give top priority to the safety and health of our staff. We provide them with appropriate training and working environment that enable them to realize their full potential and ambition, and maintain a balance between life and work. The Group has formulated a sound Human Resource Management System, and firmly believes that reasonable human resource management can improve the overall quality and work efficiency of employees. This, in turn, enables us to meet the needs of the Company's future development and earn public recognition.

During the Reporting Period, the Group was not aware of any breach of labour-related laws and regulations in areas in which the Group operates, including but not limited to the Labour Law of the PRC and the Labour Contract Law of the PRC.

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Merit-based Recruitment

The Group attaches great importance to building a positive corporate culture and strictly follows the core principle of "merit-based recruitment". We constantly improve our human resource mechanisms, including recruitment, training, performance evaluation, remuneration and benefits, attendance management, and departure processes, to ensure appropriate and fair treatment for all employees. The Group adheres to open, fair, and just standards in the recruitment process to protect the legal rights of both candidates and internal employees. We are fully aware of the importance of career development to our staff; therefore, we adopt diversified approaches to help employees unlock their potential and achieve self-value enhancement.

At the beginning of every year, the Group specifies the development direction and strategic planning for the upcoming year while simultaneously reviewing and optimizing the allocation of human resources. In terms of recruitment channels, we adopt a diversified model to attract talent, covering on-site job fairs, online recruitment platforms, internal recommendations, campus recruitment sessions, and headhunting partnerships. During the talent selection stage, the Group insists on a fair and just evaluation mechanism to identify talent. Interview assessments strictly refer to objective selection criteria, focusing on candidates' position adaptability, professional knowledge reserves, and comprehensive capabilities. Depending on specific position requirements, additional assessments such as professional qualification identification, development potential evaluation, and comprehensive quality testing are conducted to ensure that recruited talent meets both corporate operational needs and the Group's overall strategic layout.

The Group strictly prohibits any form of employment discrimination and will not tolerate any unfair selection decisions based on a candidate's age, gender, race, religion, nationality, disability, or sexual orientation. The promotion or job opportunities of current employees will not be prejudiced by the aforementioned factors. Furthermore, the Group strictly enforces regulations prohibiting the employment of child labour. Identity documents of candidates are cautiously reviewed before the interview to verify they have reached the legal age of employment, thereby eliminating the risk of employing persons under the legal working age.

For formally onboarded employees, the Human Resources Department enters into a Labour Contract, clearly stipulating core employment terms such as job responsibilities, work location, and working hours to ensure that the rights and obligations of both parties are clear, preventing any form of forced labour. The Group also encourages internal employees to explore diversified career paths; with the approval of the department head and upon passing the corresponding assessment, employees may apply for an internal transfer. When an employee resigns, a formal written application must be submitted and can only proceed after approval by the person-in-charge of the designated position. If an employee fails the probation or substantially breaches the Company's rules and regulations, the Group strictly implements standardized dismissal procedures and multi-layer approval mechanisms to ensure that the dismissal is based on reasonable grounds and fully protects the employee's legal rights. During the Reporting Period, the Group was not aware of any cases of forced labour or child labour.

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Excellent Employee Benefits

The Group attaches great importance to the rights and interests of employees. We not only conduct regular salary analysis based on industry peers but also adjust the salaries of individual employees and teams according to their work performance. We aim to attract and retain talents by offering a competitive and attractive salary and welfare package to our employees. The Group's salary adjustment mechanism comprehensively considers multiple factors, including seniority, work efficiency, rank experience, and professional qualifications. In terms of personal ability assessment, the Group conducts comprehensive evaluations across six major categories, including employees' influence, problem-solving ability, leadership and management ability, communication and coordination ability, knowledge and skills, and their contribution within their work scope, to fully understand whether employees bring positive value to the Company's development.

At the same time, the Company deeply cares about the welfare of employees, promotes diversified working arrangements, and actively advocates for the balanced development of work and life. We firmly believe that enriched employee activities help deepen the construction of corporate culture, thereby enhancing overall corporate strength and market competitiveness, and ultimately driving the realization of the Group's sustainable development strategy goals.

As required by local laws, the Group pays social insurances for qualified employees, including pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund. In addition, we provide diversified allowances according to employees' different positions and actual situations, including length of service (seniority) allowances, tutor allowances, meal allowances, and on-duty allowances. For employees in special positions, we purchase additional commercial insurance and provide specific benefits such as high-temperature subsidies. Employees are entitled to various legally-stipulated paid holidays, including statutory holidays, annual leave, marriage leave, maternity check-up leave, maternity leave, nursing leave, breastfeeding leave, compassionate leave, and work injury leave. The Group's labor union also introduces various care measures, providing marriage and childbirth congratulatory bonuses, as well as hospital and funeral condolences. On traditional festivals such as New Year's Day, Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, daily necessities, grains, oils, and food are distributed to employees, and cake vouchers are issued in the birth month of employees to make them feel the warmth and care of the enterprise.

During the Reporting Period, the Group was not aware of any violations of laws and regulations related to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other treatment and benefits.

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Nurturing Talents

The Group is committed to providing all employees with diversified learning and development opportunities, adhering to the core philosophy of "maximizing capabilities, and maximizing talents" to help employees identify their best job fit. To clearly outline the career development ladder and define the progression paths for various positions, we specify the qualifications and standards for all professional, technical, and managerial positions in the "Remuneration and Benefits Management Policy", constructing multi-dimensional career development channels for our staff. Employees can seek promotion along their original career path or switch promotion channels as their professional direction adjusts. The Group has designed three major development directions for employees, covering managerial, professional, and technical expertise, with each direction further sub-divided into more specialized fields. Employees can plan their own career blueprints based on their personal capabilities, technical expertise, and professional interests.

The Group adheres to its talent cultivation goals of "learning in Titans, succeeding in the future; advancing with the times, action without delay". To systematically nurture high-quality talent, we have established a series of regulations, including the "Training Management Policy" and "Internal Lecturer Management Policy", to actively encourage employees to participate in continuous learning and training for self-enhancement. Meanwhile, the Group provides comprehensive support and allowances for employee training, specifically including vocational skill qualification awards, training incentives, lecturer allowances, and financial support for further academic studies. During the Reporting Period, the Group offered the following five types of training courses for our employees, totaling over 4,645 (2024: 17,731) hours of learning.

Types of training courses	Content	Examples of training programs of the Year (Partial display)
New employee courses	Basic working knowledge Computer operating Company culture Safety training Major rules and regulations	• Feishu AI product function description • Electric shock accident emergency response training • Operation procedures for server access to operation and maintenance platform • Care and mutual aid fund system • Safety education training for resumption of work and production • Titan Technology performance management system
General courses	System management Computer operating	• QiAnXin compliance integrated machine training • Publicity and operation guidelines for initial professional title recognition • Processing of newly added codes and batch printing of CAD drawings and BOM operation training
Technical courses	Technical training in professional fields Communication skills Design training	• Creo 3D software structural design introductory training • UPS uninterruptible power supply cabinet standardized design platform training • WeChat Mini-program standardized packaging technology training

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Types of training courses	Content	Examples of training programs of the Year (Partial display)
Management courses	Thematic short-term training	• Siemens molded case switch 3VT8 switching to 3VC8 technical exchange meeting • Zhuhai municipal corporate intellectual property service training session • Business and technical bidding document preparation exchange and sharing • 2025 Wansgao high power/lightning arrester product technical exchange meeting
Specialized courses	Professional knowledge training	• Special online training on research and development expense super deduction organized by the Tax Bureau • U8 collection voucher entry and payment reconciliation matters • Cost accounting method training

We conduct a survey of employee training needs at the end of each year to ensure that the planned training courses can precisely meet the needs of employee career development. In addition, we collect data monthly such as employee satisfaction towards the trainings, summaries of learning reflections, and assessment results, as an important basis for the regular review and optimization of the training system. During the Year, the Group collected many valuable suggestions; for example, employees believe that professional training should be formulated according to different positions based on actual operations and should not be too abstract. In the future, the Group will focus on planning training for business operations.

Occupational Safety and Health

The Group consistently prioritizes and optimizes safety governance measures, striving to create a safe and healthy working environment for our employees. We adhere to the occupational safety and health policy of "Safety and compliance, prevention of risks, care for health, continuous improvement". We strictly abide by national laws, regulations, rules, and standards related to the prevention and control of occupational hazards, including but not limited to the Production Safety Law of the PRC, Law of the PRC on the Prevention and Treatment of Occupational Diseases, Regulations of the PRC on the Prevention and Control of Pneumoconiosis, and the Regulations on the Management of Labor Protection Products for Employers. The Group attaches great importance to employee protection and occupational safety management, upholding the core principle that "production must never sacrifice safety" and fully implementing the management philosophy of "safe production, everyone is responsible; safe production, prevention first". We have established strict standards in the fields of occupational hazard accident prevention and fire safety management, developing an Occupational Health and Safety Management Policy that complies with the GB/T 45001-2020/ ISO 45001:2018 standards, along with supporting implementation policies. In addition to daily production safety management, the Group not only ensures the implementation of occupational disease prevention through a sound system but also strives to integrate health and safety concepts into every aspect of operations, continuously optimizing the working environment and conditions for our staff.

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The Group firmly believes in eliminating various risk factors at the source. Therefore, we implement multiple measures to strengthen the control of hazards throughout the production process to reduce or eliminate various safety risks. The Group has formulated the "Safety Production Responsibility Policy", which clarifies the safety responsibilities of employees at all levels and establishes hierarchical responsibilities for leaders, functional departments, production departments, and all employees in occupational disease prevention, covering core duties such as measure formulation, execution, and regular inspections. Meanwhile, for operational activities and service projects related to significant risks, we formulate operational control management plans or procedures, clarifying control methods and standards for strict implementation. For example, detailed management measures have been established for hazardous chemicals: classification signs are affixed to all containers containing chemicals for easy identification of their hazardous attributes; dedicated storage areas are set up, equipped with safety facilities such as anti-theft, fire protection, explosion prevention, moisture control, leak-proofing, and ventilation, ensuring the storage area remains away from open flames. Furthermore, the Group provides corresponding personal protective equipment based on the nature of the position and work content, strictly prohibiting employees from using unqualified or invalid protective equipment. In addition, the Group conducts monthly safety inspections throughout the plant to thoroughly eliminate unsafe working environments, equipment states, and operational behaviors.

Valuing staff's opinions

The Group always values and respects the wisdom and innovative ideas of every employee. To facilitate communication channels between employees and the Company, create a harmonious team atmosphere, and foster a sense of ownership among all staff in corporate operations, we have officially promulgated the "System of Management for Rationalization Suggestion". The core objective of this system is to encourage all employees to actively contribute suggestions and boldly innovate for the Company's development. This aims to optimize operational processes, reduce production costs, drive technological innovation, and enhance the Company's core competitiveness, ultimately achieving co-development of employees and the Company while nurturing a positive and proactive corporate culture ecosystem. Furthermore, for employee suggestions that are adopted and generate substantial value, the Group will provide rewards based on the effectiveness of implementation.

Hygiene Awareness

Having experienced the COVID-19 prevention and control work in previous years, the Group deeply recognizes the significance of a high-quality hygienic environment and strong hygiene awareness. Although the pandemic has passed, our emphasis on hygiene issues remains undiminished. The Group will continue to equip office and production premises with sufficient disinfectant hand sanitizers and conduct comprehensive regular disinfection across all work areas, thereby effectively minimizing the risk of large-scale viral infection or transmission.

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Safe Work Awareness and Training

To ensure production safety and minimize work-related injuries, the Group focuses not only on providing safe working environments and equipment but also on strengthening the promotion and training of staff safety awareness to enhance employees' self-protection abilities. We regularly update safety tips in the "Occupational Disease Hazard Publicity Column" in our factories, promptly disclosing the results of occupational hazard testing and evaluation, as well as improvements in occupational hygiene work. Warning signs are placed in conspicuous locations, specifying the types of hazards, consequences, prevention, and emergency response measures.

In terms of training, the Group provides pre-employment safety training and regular safety education for employees. All operators must pass the training assessment and obtain a "Work Permit" before commencing work. The training content covers occupational health laws and standards, the use of protective equipment, emergency rescue procedures, and accident case studies. For the operation of new equipment, the Group invites professionals to conduct specialized training; when new machinery is introduced, employees must pass a practical operation examination before they are allowed to work.

Contingency Measures for Emergencies

To standardize emergency response processes and clarify the responsibilities of emergency rescue organizations and various units, the Group has officially promulgated the "Emergency Responses to Work Safety Accidents", "Risk Assessment Report for Work Safety Accidents", and "Emergency Resources Investigation List for Work Safety Accident". For high-incidence hazard sources in the Group's production processes, such as fire and explosion, electric shock, mechanical injury, and chemical spills, we have formulated dedicated on-site response plans to strengthen employees' accident response capabilities and ensure the efficient operation of the emergency command system, thereby minimizing accident harm.

In addition to establishing clear accident notification mechanisms and planning scientific evacuation routes and emergency gathering points, we post fixed signs and simple user guides at the storage locations of all emergency supplies, equipment, and facilities to ensure employees can use them proficiently in emergencies. The Group has established a dual mechanism of "regular inspection + replacement and maintenance" for the dynamic management of emergency rescue facilities and occupational hazard prevention equipment, ensuring that equipment is always in a qualified state.

Regular exercise of emergency rescue plans is a normalized safety task for the Group. Through practical drills, we not only consolidate employees' accident handling skills but also enable management to identify shortcomings in existing plans and further optimize rescue measures. In the event of a safety accident, the Group will immediately form an occupational hazard accident investigation team to conduct comprehensive evidence collection and responsibility assessment, strictly hold relevant personnel accountable, and formulate targeted preventive measures to prevent similar accidents from recurring at the source.

Fire Control Safety Management

Fire safety is another key priority within the Group's safety management system. In accordance with the "Provisions on the Administration of Fire Control Safety of State Organs, Organizations, Enterprises and Institutions", the Group has formulated its dedicated "Fire Safety Management Policy". The Group regularly holds meetings of persons-in-charge of key units to carefully check and implement various fire prevention systems and safety measures, and regularly organizes disaster prevention and accident emergency drills. Meanwhile, we conduct fire inspections during daily operations and before and after holidays to thoroughly eliminate fire hazards. To ensure that fire equipment is effective at all times, we have established mechanisms for regular inspection, procurement, and maintenance to guarantee that fire equipment meets a 100% intact standard. Every year, the Group commissions professional units with relevant qualifications to conduct comprehensive inspections and functional tests of fire extinguishers and automatic fire facilities within buildings.

In addition to normalized inspections, fire safety promotion and education are core pillars of the Group's fire safety management. We set up fire safety promotion columns, warning billboards, and other fixed media in factory and office areas to comprehensively enhance employees' fire safety awareness and emergency response skills. For new employees, we conduct systematic pre-service fire safety training; meanwhile, we regularly organize fire emergency plan drills to ensure all staff are familiar with emergency response procedures. After each drill, we conduct a comprehensive review to identify issues in the execution process and formulate corresponding optimization and improvement measures.

During the Reporting Period, the Group was not aware of any breach of relevant laws and regulations in relation to safe working environment and protection of employees against occupational hazards.

Staff Conduct

The Group has formulated the "Staff Code of Conduct" to regulate the daily work conduct of employees. Through the establishment of a reward and penalty policy, we aim to guide all employees to work together toward the Group's safety production development goals. The reward and penalty policy is divided into two levels. The first level targets individual behavior and work performance. For employees who handle emergencies appropriately and reduce the Company's loss by a certain amount, or those who achieve a certain ranking or higher in external contests, the Group will offer rewards such as bonuses, travel opportunities, and sponsored educational programs. On the contrary, those who violate operational practice or cause work safety accidents resulting in the Company's loss to a certain amount due to human error may face warnings, disciplinary actions, and economic penalties. Such incidents will also be incorporated into performance appraisals and directly impact salary adjustments. The second level targets the accountability of department heads. If accidents, delayed rectifications, or violations of rules and discipline occur during an employee's service, the heads of related departments will be held accountable for inadequate supervision and may face corresponding penalties. The Group expects to incentivize employees through this reward and penalty policy to further improve and enhance production safety standards, which not only ensures the personal safety of employees but also comprehensively elevates the Group's production safety management level.

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Promoting Development of Society

In line with the management approach of "innovation-based, integrity-first", the Group not only strives to advance together with all employees but also aims to leverage its position as a leading enterprise to foster close partnerships throughout the entire supply chain. We will actively mobilize corporate resources to give back to society and showcase the values the Group has always upheld. We maintain a zero-tolerance approach toward corruption and fraud. By leveraging the power of integrity in business, we aim to promote the common prosperity, stable development, and sustainable operation of the global economy while cultivating a clean corporate culture of honesty.

Cooperation with Suppliers

During the Reporting Period, the Group procured raw materials and components from over 250 (2024: 370) qualified suppliers, with most of their plants located within Guangdong Province to reduce carbon emissions generated from different modes of transportation.

The Group maintains a strong and stable relationship with its suppliers and has encountered no significant difficulties in obtaining a sufficient supply of raw materials and components over the years. As a leading equipment producer, the Group sets stringent standards for the quality of raw materials and maintains a meticulous approach during the supplier selection process. We have established a comprehensive "Standards for Supplier Management" to evaluate supplier qualifications, ensuring they can consistently and stably provide qualified products while optimizing overall supply chain management efficiency.

Before engaging a new supplier, we require them to provide complete documentation specifying their corporate qualifications and product quality, including business licenses, quality management system certifications, third-party product certification certificates, and inspection reports. Simultaneously, based on different purchase categories, we conduct on-site audits and sample testing of potential suppliers to ensure their product quality meets the Group's requirements. Evaluation criteria cover multiple dimensions, such as the supplier's qualifications and experience, business creditability, stable supply capability, non-conforming product inspection and control, technical research and development level, environmental safety, and social responsibility, striving for an extensive analysis of whether the supplier matches the Group's production requirements. Only suppliers that pass all evaluations will be included in the "Qualified Suppliers' List".

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To ensure product quality consistently maintains a stable level, we implement an ongoing monitoring mechanism for listed qualified suppliers. Based on actual business needs, existing suppliers are categorized by their degree of supply importance and the percentage of total purchase they represent. This categorization determines the corresponding evaluation frequency, audit methods, and responsible departments. We systematically evaluate existing qualified suppliers regularly and dynamically update the "Qualified Suppliers' List". In the event of significant issues regarding timely delivery rate, purchase qualification rate, settlement cooperation, or after-sales service, the supplier's qualification may be revoked and delisted from the "Qualified Suppliers' List".

The Group enters into an "Environment, Occupational Health and Safety Agreement" with its major suppliers to ensure that the raw materials provided comply with national laws and regulations, and that suppliers prioritize low-pollution production processes and equipment. If a supplier's pollutant emissions during the production process exceed standards, they must immediately take proactive and effective remedial measures to reduce the negative impact on the environment. Furthermore, suppliers must provide a safe working environment and protective equipment for relevant personnel during production and transportation to reduce harm to personal health and safety. If a supplier causes serious environmental pollution or major personal safety incidents, the Group reserves the right to terminate the cooperation immediately.

Anti-corruption

In accordance with the Group's "Code of Conduct", all employees are strictly prohibited from seeking any improper personal profit or benefit by taking advantage of their positions. Corrupt practices such as misappropriation, commercial bribery, embezzlement of public funds, and leaking secrets are strictly forbidden. If a complaint is received, the Human Resources Department will initiate a thorough investigation while ensuring the employee's right to defend themselves. Once the malpractice is confirmed, the employee involved will face disciplinary actions such as warnings or compensation, depending on the severity of the matter; serious offenders may even have their labor contracts terminated. Externally, the Group is committed to promoting anti-corruption construction with all stakeholders to eliminate illegal and improper behaviors, including offering and receiving bribes. We sign the "Commitment Letter on Prevention of Bribery in Material Procurement" with all suppliers, strictly abide by anti-bribery laws and regulations, and expressly prohibit any form of commercial bribery. In addition to selecting suppliers through an open and transparent mechanism, we prioritize reputable partners to reduce money laundering risks and maintain our corporate reputation.

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To further enhance employees' knowledge and awareness of integrity and self-discipline, during the Reporting Period, the Group specially engaged an external law firm to provide anti-corruption thematic training for the Board of Directors, so as to strengthen the Directors' awareness and capability in identifying and combating corruption.

The Group strictly observes relevant laws and regulations, including the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC, and the Anti-Unfair Competition Law of the PRC. During the Reporting Period, there were no concluded cases of litigation brought against the Group or its employees in relation to bribery, extortion, defraud, or money laundering, and no related incidents of non-compliance. Furthermore, the Group has been selected as an "Enterprise of Observing Contract and Valuing Credit of Guangdong Province" for 20 consecutive years. This recognition highlights our long-term adherence to law-abiding operations, our sound contract and credit management system, and our impressive track record in contract performance without serious legal breaches, demonstrating robust business efficiency.

Care for Community

The Group has always placed great importance on community development, aiming to create values for society alongside business growth and implement our sustainable development commitment. We firmly believe that by integrating into the community and sharing development fruits with the public, close communication and the promotion of green living concepts can not only fulfill the original intention of giving back to society but also add positive energy to it. This year, as usual, we donated RMB10,000 to the Zhuhai Care Association to support the daily study and living of underprivileged university students in Zhuhai. In addition, we donated RMB15,000 to the Hebei Foundation for Disabled Persons to assist in the procurement of rehabilitation equipment and living subsidies for persons with disabilities. We also organized volunteer activities such as the "Children's Volunteer Service Activity" and "Chongyang Festival Voluntary Haircutting Activity", donating educational toys, picture books, winter warmth packages, and warm clothing to children and elderly in the community, with a total value of approximately RMB7,000. Beyond donations of funds and supplies, we actively encourage our employees to participate in community volunteer work. Whether it is grassroots volunteer services or tree-planting and greening initiatives, our employees are actively involved and visible in these efforts. The Group will always uphold the core value of "creating value for the company, its employees, its customers, its partners, and society" to move forward with determination.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MAJOR KEY PERFORMANCE INDICATORS

Environmental indicators	2025	2024
Emissions[1]		
Nitrogen oxide emission (kg)	**25.25**	37.48
Sulphur dioxide emission (kg)	**0.19**	0.34
Particulate matter emissions (kg)	**2.24**	3.21
Total emissions of nitrogen oxide avoided by the use of electric vehicles (kg)	**8.24**	10.19
Total emissions of sulphur dioxide avoided by the use of electric vehicles (kg)	**0.20**	0.21
Total emissions of particulate matter avoided by the use of electric vehicles (kg)	**0.61**	0.75
Greenhouse gases[2]		
Total emission of greenhouse gases (tonnes of CO equivalent)[3]	**623.12**	901.64
Scope 1: Direct emissions (tonnes of CO_2 equivalent)	**36.44**	68.64
Scope 2: Energy indirect emissions (tonnes of CO equivalent)[4]	**482.04**	710.79
Scope 3: Other indirect emissions (tonnes of CO_2 equivalent)	**104.64**	122.21
Total emissions intensity of greenhouse gases (tonnes of CO_2 equivalent/million RMB revenue)	**1.52**	2.30
Total emissions of greenhouse gases avoided by the use of electric vehicles (tonnes of CO_2 equivalent)	**36.55**	37.64
Wastes		
Total non-hazardous wastes produced (tonnes)	**265.01**	272.63
Total non-hazardous wastes recycled (tonnes)	**24.73[5]**	0.28
Total non-hazardous wastes disposed (tonnes)	**240.28**	272.35
Total production intensity of non-hazardous wastes (tonnes/million RMB revenue)	**0.65**	0.70
Total production of hazardous waste (kg)	**139.00[6]**	226.00
Total production intensity of hazardous wastes (kg/million RMB revenue)	**0.34**	0.58
Use of resources		
Total energy consumption (MWh)	**1,593.79**	2,204.38
LPG (MWh)	**3.92**	21.60
Unleaded petrol (MWh)	**117.27**	209.11
Purchased electricity (MWh)[7]	**1,025.72**	1,542.83
Solar energy (MWh)[8]	**446.88**	430.84
Total energy consumption intensity (MWh/million RMB revenue)	**3.88**	5.62
Total water usage (m^3)	**20,947.50**	17,660.19
Total water usage intensity (m^3/million RMB revenue)	**51.03**	45.02
Paper packaging material used (tonnes)	**19.82**	15.19
Intensity of paper packaging material used (kg/million RMB revenue)	**48.29**	38.73
Plastic packaging material used (tonnes)	**3.65**	4.13
Intensity of plastic packaging material used (kg/million RMB revenue)	**8.89**	10.53

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 The emission indicators declined during the year due to the disposal of two fuel-powered vehicles and two electric vehicles in mid-2025.

2 Due to the relocation of the original office after April 2025, the original canteen has ceased operations. As the canteen in the new office is outsourced, no relevant emission data is available.

3 According to the "Guide", Scope 1 covers the direct greenhouse gases emissions from stationary combustion sources, mobile combustion sources and fugitive emissions of hydrofluorocarbons (HFC) during the use of refrigeration and air conditioning equipment; Scope 2 covers the energy indirect greenhouse gases emissions resulting from the generation of purchased electricity consumed within the Group; and Scope 3 covers the indirect greenhouse gases emissions resulting from waste paper disposal to landfills, sewage treatment and business air travel.

4 The relevant emission factors set out in the latest version of "Appendix 2: Reporting Guidance on Environmental KPIs" under "How to prepare an ESG Report" issued by the Stock Exchange were employed for calculating Scope 2: indirect emissions during the Reporting Period.

5 The factory produces approximately 1,750 kg of waste cardboard per month, all of which is processed by third parties for recycling.

6 The production process has been converted to a "no-clean" process; therefore, the use of organic solvents has decreased.

7 The purchased electricity includes the electricity used by electric vehicles.

8 The Group disclosed the relevant data using the calculation method set out in "Appendix 2: Reporting Guidance on Social KPIs" of the latest version of "How to prepare an ESG Report" published by the Stock Exchange.

Social Indicators	**2025**	2024
Employment Indicator		
Number of employees	**386**	441
By gender		
Male	**289**	334
Female	**97**	107
By employment type		
Full-time	**386**	441
Part-time	**–**	–
By age		
51 or above	**42**	45
31-50	**268**	300
30 or below	**76**	96
By geographical region		
Mainland China	**386**	441

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Indicators	2025	2024
Employee turnover rate (%)		
Overall employee turnover rate	**16.84**	11.56
By gender		
Male	**16.61**	11.38
Female	**17.53**	12.15
By age		
51 or above	**19.05**	15.56
31-50	**14.18**	7.33
30 or below	**25.00**	22.92
By geographical region		
Mainland China	**16.84**	11.56
Development and Training		
Percentage of employees who received training (%)		
Overall percentage of employees who received training	**99.22**	41.50
By gender		
Male	**72.32**	76.50
Female	**27.68**	23.50
By employee category		
Senior management level	**1.04**	0.54
Middle management level	**10.18**	19.13
Junior or technician	**88.77**	80.33

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Indicators	2025	2024
Average hours of training per employee (hour)		
By gender		
Male	**11.99**	45.33
Female	**12.17**	24.23
By employee category		
Senior management level	**5.33**	0.64
Middle management level	**16.74**	58.88
Junior or technician	**11.65**	39.20
Health and Safety		
Number and rate of work-related fatalities occurred in each of the past three years (including the reporting period) (%)	**0(0)**	0(0)
Lost days due to work injury	**0**	10
Supply Chain Management		
Total number of suppliers	**251**	371
By geographical region		
Mainland China	**251**	371
Product Responsibility		
Percentage of total products sold or shipped subject to recalls for safety and health reasons (%)	**0**	0
Number of products and service-related complaints received	**0**	0
Community Investment Indicators		
Corporate charitable donations (RMB)	**32,000.00**	50,000.00
Number of employees participating in volunteer services	**20**	23
Number of volunteer hours of employees	**19**	18

DIRECTORS' REPORT

The Directors submit the directors' report together with the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. The Group is principally engaged in (i) the supply of power electric products and equipment; (ii) the sales and leases of electric vehicles; (iii) provision of charging services for electric vehicles and construction services of charging poles for electric vehicles under BOT arrangements. The principal activities of each of the subsidiaries of the Company are set out in note 45 to the consolidated financial statements.

Business segments

The Group is principally engaged in (i) the supply of power electric products and equipment; (ii) the sales and leases of electric vehicles; (iii) provision of charging services for electric vehicles and construction services of charging poles for electric vehicles under BOT arrangements. Business analysis of sales, segment results, total assets and capital expenditures are set out in note 5 to 6 to the consolidated financial statements.

Geographical segments

The Group operates in the People's Republic of China.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 111 to 112 of this annual report.

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

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlement to attend and vote at the annual general meeting (the "AGM") of the Company, which is proposed to be held on Thursday, 11 June 2026, the register of members of the Company will be closed from Monday, 8 June 2026 to Thursday, 11 June 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the AGM, all duly completed transfer forms 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 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 5 June 2026. The record date for ascertaining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 11 June 2026.

DIRECTORS' REPORT

BUSINESS REVIEW

Overview

A fair review of the business and outlook of the Company as well as a discussion and analysis of the Group's performance during the year ended 31 December 2025 and the material factors underlying its results and financial position can be found in the Chairman's Statement on pages 6 to 7 and the Management Discussion and Analysis on pages 8 to 25 of this annual report. An analysis using financial key performance indicators can be found in the Financial Highlights on pages 4 to 5 of this annual report. These discussions and financial highlights form part of this Directors' Report.

Principal Risks and Uncertainties

1. The Risk of Industry Policies

The Company's products are mainly applied in new energy electric vehicles and the power industry. The growth of the industry depends on the actual demands of the national economy and is also significantly influenced by national industrial policies. Strategic emerging industries such as new energy electric vehicles are still in a stage of rapid development. The central and various local governments have successively introduced multiple support policies to guide and support the development of the industry. However, as the industry continues to develop, there is a possibility that relevant policies may be adjusted based on the macroeconomic situation, which could adversely affect the Company's profit level and business development.

The Group will further strengthen its research on the development policies of the national new energy industry and the power industry. Based on the Group's judgment on changes in industrial policies, it will timely adjust its technological research and development strategy as well as its production and operation strategy, continuously enhance its anti-risk capability and core competitiveness, and minimize the adverse impact of policy adjustments on the Group's operating results.

2. Technology Risk

With increased competitive market, technology replacement cycle is becoming shorter and shorter, and products performance and service standards for customer have become increasingly demanding. Application of new technologies and new product development is one of the key points to ensure the Group's core competitiveness. If we cannot reasonably and continuously increase the technical inputs and accurately grasp the technology, products and market trends, fail to timely develop products with high-quality, high technical standards, and keep in line with market expectations in the future, it will be difficult to maintain the core competitiveness of the Group and have impact on the Group's profitability in the future. Only by maintaining a strong competitive advantage, the Group can maintain its market position. The Group attaches great importance to technology research and development and the introduction of technical personnel, and it has a dynamic and experienced research and development team. In 2015, the Group's postdoctoral research station was approved and the establishment of the station will further enhance the Group's research and development strength. To this end, the Group will fully analyze the future direction of technology, continue to enrich the product line, optimize product mix, improve product and service content, so as to provide customers with a more comprehensive product solutions and services. At the same time, the Group will strengthen supply chain management, shorten the length of the supply chain through the allocation of resources to ensure the supply of products and services.

DIRECTORS' REPORT

3. Risk of Decrease in Gross Profit Margin

The new energy vehicle industry has been developing rapidly, together with the lead of national supportive policies, a number of enterprises has entered such industry, resulting in vigorous competitive landscape. The manufacture and sales of charging equipment for electric vehicles as well as the investment and operation of charging infrastructures, which is the principal business of the Company, will be affected. In a certain period of time, under aggravated competition, the high gross profit margin of the Company won by its first mover advantage cannot be maintained for a long term, and the price reduction caused by competition will become a trend. If the cost of products cannot be lowered effectively, the Company may expose to the significant decrease in gross profit margin. Therefore, the Company strives to research and develop the core technologies, actively shorten the supply chain management, complete the upgrade of products and launch products which meet market demands, so as to maintain the gross profit margin of the Company at a reasonable level.

4. Recovery Risk on Accounts Receivables

During the Reporting Period, the Group's accounts receivables balances recorded a decrease, making recovery risk on accounts receivables within our control. The customers of the Group's products are power grid companies, power generation plants and large public institutions. Therefore, security level of accounts receivables is high and the overall recovery risk is remote. However, with the expansion of the scale of operation, the Group's accounts receivable is expected to remain at a high level as a result of the characteristics of the industry, longer customer payback periods and other factors. If the Group cannot manage the accounts receivable collection progress effectively, the Group's operating funds pressure will further increase, which would have possible adverse effects on the Group's business. In this regard, the Group will further strengthen the accounts receivable handling and collection, strengthen the customer relationship management (CRM), and minimize the risk of accounts receivable from the market development, the signing and the execution of the contract, and so on.

DIRECTORS' REPORT

Environmental Policies and Performance

The Group shall strictly comply with the relevant environmental protection laws and regulations of the People's Republic of China in the process of production and management. As of the end of the Reporting Period, there is no environmental incident, and the Group was not suffered any significant environmental claims or litigations. A discussion and analysis of the Group's environmental policies can be found in the Environmental, Social and Governance Report on pages 47 to 88 of this annual report.

Compliance with Laws And Regulations

The Company complies with the requirements under the Companies Ordinance, the Listing Rules and the Securities and Futures Ordinance (the "SFO") for, among other things, the disclosure of information and corporate governance.

The PRC subsidiaries are governed by the laws and regulations relating to taxation, foreign exchange, product quality, trademarks, environmental protection, labor and social insurance. Any non-compliance will impose fines or other serious penalty actions against the PRC subsidiaries. We have implemented various measures to ensure compliance with such laws and regulations, including but not limited to consulting our PRC legal adviser and tax professional.

During the year ended 31 December 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that have a significant impact on the Group's business.

Relationships with Employees

Employees are regarded as the Group's most valuable asset. The Group's remuneration policy is determined based on the employee's experience, responsibility, workload and the time spending for the Group. The Group offers a competitive remuneration to employees, typically including basic salary, performance bonus, allowances and subsidies. The Group also adopted a share option scheme with the purpose of granting share options to valuable employees and other qualified persons of the Group.

The Group provides feedback to their performance through performance appraisal and provides recruits and in-service training for employees. The Group will continue to provide in-service training, which covers technology, quality management and mandatory training required by laws and regulations. The Group also provides management training for managers or potential managers.

The Group believes that direct and effective communication is essential for the establishment of good relations between the management and employees. We have set up unions, as the representatives of the employees, which is one of the main channels of communication. The Group receives comments and suggestions from employee every year through internal networks and the suggestion box, and adopts and analyzes related comments and suggestions, and rewards those providing recommendations.

DIRECTORS' REPORT

Relationships with Customers and Suppliers

The Group's major customers include power grid companies, power plants, public transportation systems, government departments, etc. The years of business relationship with the Group ranged from 1 to 3 years and the credit terms granted to the major customers ranged from 30 to 180 days. Details of the trade and bills receivables of the Group as at 31 December 2025 are set out in note 23 to the consolidated financial statements. Up to the date of this report, 21.01% of the trade and bills receivables from the major customers has been settled. The Group aims to provide customers with good quality products and services in order to strive for continued growth of sale revenue and profitability. The Group has strengthened communications between the customers and the Group by strengthening information management, so as to provide superior quality products and services.

In order to alleviate quality risks for products, the Group requires that each process operator must carry out self-inspection, self-division of the products under different inspection and test states, self-marking of products, and control of self-inspection pass rate. The management has also conducted inspections in the production process and made relevant records. The Group has also set up quality inspection department to test semi-finished products, and carries out tracking in accordance with the marking by process operators, so as to mark semi-finished products as qualified. Products assembled with qualified raw materials and semi-finished products will be tested at last.

During the Reporting Period, the Group did not have any material disputes with our major customers.

The Group maintains a good relation with suppliers, at the same time, conducts regular assessment and management on suppliers, integrates suppliers resources, controls procurement costs and secures the effectiveness of the supply chain based on product quality, price, ability to deliver products on time, after-sale service and other factors. The Group's main suppliers are raw material suppliers, and had business relationship with the Group for over 3 years on average. The credit terms granted to the major suppliers ranged from 30 to 180 days. Details of the trade and bills payables of the Group as at 31 December 2025 are set out in note 28 to the consolidated financial statements. Up to the date of this report, 40.26% of the trade and bills payables to the major suppliers has been settled. For the procurement of bulk commodities or services, the Group has set bidding program with strict implementation.

In order to alleviate risks for conduct of suppliers, the Group has set up clear new supplier selection policy that requires suppliers to make self-assessment first. We will also conduct on-site audit of suppliers and continue to monitor qualified suppliers.

During the Reporting Period, the Group did not have any significant disputes with our major suppliers.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, sales to the single largest customer of the Group and the five largest customers of the Group in aggregate accounted for approximately 4.48% and 13.63% of the total sales of the Year, respectively.

During the Reporting Period, purchases from the single largest supplier and the five largest suppliers of the Group accounted for approximately 5.74% and 19.08% of the total purchases for the Year, respectively.

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

DIRECTORS' REPORT

RESERVES

Details of movements in the reserves of the Group and of the Company during the year ended 31 December 2025 are set out in the accompanying consolidated statement of changes in equity and note 44(b) to the consolidated financial statements.

PROPERTIES, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in note 16 to the accompanying consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 34 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the reserves of the Company available for distribution to shareholders of the Company amounted to approximately RMB425.4 million (2024: RMB429.3 million).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association (the "Articles of Association") and the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is included in financial highlights on pages 4 to 5 of this annual report.

DIRECTORS' REPORT

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

Save as disclosed herein, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

EQUITY-LINKED AGREEMENTS

Save as the Share Option Scheme of the Company disclosed below, no equity-linked agreements were entered into by the Company during the year.

SHARE OPTION SCHEMES

2010 Share Option Scheme

The Company has adopted the 2010 Share Option Scheme pursuant to a written resolution passed by the shareholders of the Company on 8 May 2010 (the "Adoption Date").

The purpose of the 2010 Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contributions to the Group. All officers, employees, agents, consultants or representatives of any member of the Group, (including any executive or non-executive Director) who the Board may determine in its absolute discretion, have made valuable contributions to the business of the Group based on their performance and/or years of service, or are regarded to be valuable human resources of the Group are eligible to participate in the 2010 Share Option Scheme subject to such conditions as the Board may think fit.

When the 2010 Share Option Scheme was approved by the shareholders of the Company on 8 May 2010, it was also approved that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the 2010 Share Option Scheme and any other share option scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue on the Listing Date, i.e. 80,000,000 Shares (the "Scheme Mandate Limit"). The Company may renew the Scheme Mandate Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the 2010 Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

DIRECTORS' REPORT

An option may be exercised in accordance with the terms of the 2010 Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years from the date of the grant (subject to acceptance) of the option.

The right to exercise an option is not subject to or conditional upon the achievement of any performance target unless otherwise stated in the grant letter which is to be made by the Company to the participant of the 2010 Share Option Scheme upon granting of the option.

There is no specific vesting period for options.

The subscription price for the Shares under the 2010 Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

The 2010 Share Option Scheme was expired on 7 May 2020.

No options were granted, exercised, lapsed or cancelled by the Company under the 2010 Share Option Scheme during the year ended 31 December 2025. There were no outstanding options under the 2010 Share Option Scheme at the beginning and at the end of the year ended 31 December 2025.

As at the date of this report, there were no outstanding options were available for issue under the 2010 Share Option Scheme.

2020 Share Option Scheme

At the extraordinary general meeting of the Company held on 18 December 2020, an ordinary resolution was passed to adopt a 2020 Share Option Scheme.

The purpose of the 2020 Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contributions to the Group. All officers, employees, agents, consultants or representatives of any member of the Group, (including any executive or non-executive Director) who the Board may determine in its absolute discretion, have made valuable contributions to the business of the Group based on their performance and/or years of service, or are regarded to be valuable human resources of the Group are eligible to participate in the 2020 Share Option Scheme subject to such conditions as the Board may think fit.

The remaining life of 2020 Share Option Scheme is 5 years.

When the 2020 Share Option Scheme was approved by the shareholders of the Company on 18 December 2020, it was also approved that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the 2020 Share Option Scheme and any other 2020 Share Option Scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue as at the date of the 2020 extraordinary general meeting, i.e. 925,056,000 Shares (the "2020 Scheme Mandate Limit"). The Company may renew the 2020 Scheme Mandate Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval.

DIRECTORS' REPORT

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the 2020 Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being.

The vesting period for options shall not be less than 12 months.

A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the 2020 Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years from the date of grant (subject to acceptance) of the option.

The right to exercise an option is not subject to or conditional upon the achievement of any performance target unless otherwise stated in the grant letter which is to be made by the Company to the participant of the 2020 Share Option Scheme upon granting of the option.

No specific period within which payments or call must or may be made or loans for such proposes must be repaid.

The subscription price for the Shares under the 2020 Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

The Company has granted in aggregate 37,980,000 Share Options to the Grantees pursuant to the 2020 Share Option Scheme on 23 July 2021. For details, please refer to the announcement of the Company dated 23 July 2021.

The Company has further granted in aggregate 30,200,000 Share Options to the Grantees pursuant to the 2020 Share Option Scheme on 15 July 2022. For details, please refer to the announcement of the Company dated 15 July 2022.

No options were granted, exercised or cancelled by the Company under the 2020 Share Option Scheme during the year ended 31 December 2025. 26,950,000 options lapsed under the 2020 Share Option Scheme during the year ended 31 December 2025. At the beginning and at the end of the year ended 31 December 2025, 24,325,600 share options are available for grant under the Scheme Mandate Limit, respectively. There was no Share may be issued in respect of Share Options granted under all schemes of the Company during the year ended 31 December 2025, being 0% of the weighted average number of shares of the relevant class in issue for the year 2025.

As at the date of this report, the total number of shares available for issue under the 2020 Share Option Scheme was 24,325,600 Shares, representing 1.63% of the issued Shares of the Company.

DIRECTORS' REPORT

Below sets out the movements of the Share Options for the year ended 31 December 2025:

Share Options granted to Directors:

Name of Grantee	Date of grant	Number of Share Options As at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled/ forfeited during the year	Outstanding as at 31 December 2025	Exercise price per Share	Share price immediately prior to the date of grant (HK$ per Share)	Fair value of Share Options (HK$ per Share)	Vesting Period	Exercise period
Li Xin Qing (Executive Director)	23 July 2021	200,000	–	–	200,000	–	0	HK$0.445	HK$0.44	HK$0.1571	From 1 January 2023 to 31 December 2023	1 June 2024 to 31 December 2025
An Wei (Executive Director)	23 July 2021	200,000	–	–	200,000	–	0	HK$0.445	HK$0.44	HK$0.1571	From 1 January 2023 to 31 December 2023	1 June 2024 to 31 December 2025

Share Options granted to other Grantees:

Category of other Grantee	Date of grant	As at 1 January 2025	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled/ forfeited during the year	Outstanding as at 31 December 2025	Exercise price per Share	Share price immediately prior to the date of grant (HK$ per Shares)	Fair value of Share Options (HK$ per Share)	Vesting Period	Exercise period
Employees	23 July 2021	11,450,000	–	–	11,450,000	–	0	HK$0.445	HK$0.44	HK$0.1571	From 1 January 2023 to 31 December 2023	1 June 2024 to 31 December 2025
Employees	15 July 2022	14,250,000	–	–	14,250,000	–	0	HK$0.343	HK$0.33	HK$0.0818	From 15 July 2022 to 14 July 2024	from 15 July 2024 to 14 July 2025
Consultant *(Note 1)*	15 July 2022	850,000	–	–	850,000	–	0	HK$0.343	HK$0.33	HK$0.0818	From 15 July 2022 to 14 July 2024	from 15 July 2024 to 14 July 2025

Note 1: The consultant is an independent third party and a financial consultant to the Group. He has extensive experience in the aspect of taxation and finance. He is a certified tax agent and provides tax and financial consultant service to the Group.

The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of a share option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of a share option.

Further details of the Share Option Scheme are set out in note 42 to the consolidated financial statements in this annual report.

DIRECTORS' REPORT

DIRECTORS

The Directors during the year and up to the date of this annual report are:

Executive Directors
Mr. Gao Xia *(Chairman)*
Mr. Li Xin Qing
Mr. Tao Chen (appointed on 8 January 2025 and redesignated on 7 November 2025)
Mr. An Wei *(Chief Executive Officer)*
Mr. Bi Jingfeng (resigned on 7 November 2025)

Non-executive Directors
Ms. Meng Yao (appointed on 7 November 2025)
Mr. Jiang Wenqi (resigned on 8 January 2025)

Independent Non-executive Directors
Mr. Li Xiang Feng
Mr. Liu Wei
Ms. Jiang Yan

DIRECTORS' SERVICE CONTRACTS

Pursuant to article 84(1), 84(2) and 83(3) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Any new director appointed by the Board to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment, and any new director appointed by the Board as an addition to the Board shall submit himself/herself for re-election by shareholders at the next AGM. Accordingly, Mr. Gao Xia, Mr. An Wei, Mr. Liu Wei and Ms. Meng Yao, shall retire by rotation, at the AGM and being eligible, will offer themselves for re-election as Directors at the AGM.

None of our Directors, including those proposed for re-election at the AGM, has entered or has proposed to enter into any service agreement with us or any other members of the Group, which is not expired or not determinable by us or any member of the Group within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

REMUNERATION OF DIRECTORS

Details of remuneration of the directors are set out in note 12 to the consolidated financial statements in this annual report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors confirmation of his independence and the Company considers that each of them to be independent based on the guidelines set out in Rule 3.13 of the Listing Rules.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

During this financial year and up to the date of this report, the Company has in force indemnity provisions as permitted under the relevant statutes for the benefit of the Directors of the Company or its associated companies. The permitted indemnity provisions are provided for in the Articles of Association in respect of potential liability and costs associated with legal proceedings that may be brought against such Directors.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries, was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

EXECUTIVE DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2025, none of the executive Directors or their respective associates had engaged in or had any interest in any business which, directly or indirectly, competes or may compete with the businesses of the Group.

NON-COMPETITION DEED BY UNDERTAKING PROVIDERS

The Company has entered into the non-competition deed dated 8 May 2010 (the "Non-competition Deed") in favour of the Company with Genius Mind Enterprises Limited and its beneficial owner Mr. Li Xin Qing, Great Passion International Limited and its beneficial owner An Wei, Rich Talent Management Limited and Honor Boom Investments Limited and its beneficial owners at material time, namely Mr. Li Xiao Bin, Ms. Ou Yang Fen and Mr. Cui Jian (deceased) (the "Undertaking Providers").

Each of the Undertaking Providers has made an annual declaration in respect of their compliance with the terms of Non- competition Deed.

Details of the Non-competition Deed was set forth under "Non-Competition Deed" in the section headed "Relationship with our Controlling Shareholders" of the initial public offering prospectus of the Company dated 18 May 2010.

The independent non-executive Directors had reviewed and confirmed that the relevant Undertaking Providers have complied with the Non-competition Deed during the year ended 31 December 2025.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors on a named basis during the year under review are set out in note 12 to the consolidated financial statements. Details of the five highest paid individuals during the year under review are set out in note 13 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEMES

Particulars of the Group's retirement benefit schemes are set out in note 41 to the consolidated financial statements.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management as at the date of this annual report are set out on pages 26 to 31 of this annual report.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

Name of Director	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of existing issued share capital of the Company
Mr. Li Xin Qing	Interest of controlled corporations	165,709,875 *(Note 2)*	11.10%
	Beneficial owner	200,000	0.02%
Mr. An Wei	Interest of controlled corporations	175,869,875 *(Note 3)*	11.78%
	Beneficial owner	400,000	0.03%

Notes:

1. All interests in Shares were long positions.

2. The entire issued share capital of Genius Mind Enterprises Limited ("Genius Mind") is beneficially owned by Mr. Li Xin Qing ("Mr. Li") who is deemed to be interested in 157,724,457 Shares held by Genius Mind by virtue of the SFO. In addition, by virtue of the SFO, Mr. Li is also deemed to be interested in 7,985,418 Shares held by Rich Talent Management Limited ("Rich Talent"), a company which shareholding is owned as to 50% by him.

3. The entire issued share capital of Great Passion International Limited ("Great Passion") is beneficially owned by Mr. An Wei ("Mr. An") who is deemed to be interested in 167,884,457 Shares held by Great Passion by virtue of the SFO. In addition, by virtue of the SFO, Mr. An is also deemed to be interested in 7,985,418 Shares held by Rich Talent, a company which shareholding is owned as to 50% by him.

Save as disclosed above, as at 31 December 2025 none of the Directors or chief executive of the Company nor their associates had any interest or short positions in the shares, underlying shares or debentures of the Company, its specified undertakings or any of its other associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO and the Hong Kong Companies Ordinance (Cap.622), to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As at 31 December 2025, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of existing issued share capital of the Company
唐山市人民政府國有資產監督管理委員會*(Note 2)*	Interest of controlled corporations	581,570,000 *(Note 3)*	38.98%
Ms. Zeng Zhen *(Note 4)*	Interests of spouse	165,909,875	11.12%
Genius Mind *(Note 5)*	Beneficial owner	157,724,457	10.57%
Ms. Yan Kai *(Note 6)*	Interests of spouse	176,269,875	11.81%
Great Passion *(Note 7)*	Beneficial owner	167,884,457	11.25%
Broad-Ocean Motor (Hong Kong) Co. Limited *(Note 8)*	Beneficial owner	84,096,000	5.64%
Zhongshan Broad-Ocean Motor Co., Ltd. *(Note 8)*	Interest of controlled corporations	84,096,000	5.64%
Mr. Lu Chuping *(Note 8)*	Interest of controlled corporations	84,096,000	5.64%
Honor Boom Investments Limited *(Note 9)*	Beneficial owner	82,458,117	5.53%
Mr. Li Xiao Bin *(Note 9)*	Interest of controlled corporations	82,458,117	5.53%
Ms. Zhang Lina *(Note 10)*	Interests of spouse	82,458,117	5.53%

DIRECTORS' REPORT

Notes:

1. All interests in Shares were long positions.

2. The entire issued share capital of Tangshan Guokong Science and Technology is indirectly owned by 唐山市人民政府國有資產監督管理委員會. Therefore, 唐山市人民政府國有資產監督管理委員會 is deemed to be interested in the 581,570,000 Shares held by Tangshan Guokong Science and Technology by virtue of the SFO.

3. Amongst these Shares, 566,970,000 Shares were the subscription shares allotted to Tangshan Guokong Science and Technology under the Subscription Agreement dated 18 October 2022. For details of the Subscription, please refer to the Company's circular dated 18 November 2022 and the Company's announcements dated 18 October 2022, 8 and 18 November 2022, 12 December 2022, 12 January 2023, 10 February 2023, 10 March 2023, 31 March 2023, 28 April 2023 and 11 May 2023.

4. Ms. Zeng Zhen is the spouse of Mr. Li Xin Qing. Therefore, Ms. Zeng Zhen is deemed to be interested in the Shares in which Mr. Li Xin Qing is interested by virtue of the SFO.

5. The entire issued share capital of Genius Mind is beneficially owned by Mr. Li Xin Qing who is deemed to be interested in the Shares held by Genius Mind by virtue of the SFO. Mr. Li Xin Qing is the sole director of Genius Mind.

6. Ms. Yan Kai is the spouse of Mr. An Wei. Therefore, Ms. Yan Kai is deemed to be interested in the Shares in which Mr. An Wei is interested by virtue of the SFO.

7. The entire issued share capital of Great Passion is beneficially owned by Mr. An Wei who is deemed to be interested in the Shares held by Great Passion by virtue of the SFO. Mr. An Wei is the sole director of Great Passion.

8. The entire issued share capital of Broad-Ocean Motor (Hong Kong) Co. Limited is owned by Zhongshan Broad-Ocean Motor Co. Ltd, which is in turn 27.1% of its interest was beneficially owned by Mr. Lu Chuping.

9. The issued share capital of Honor Boom Investments Limited is owned as to 40% by Mr. Li Xiao Bin, 30% by Ms. Ou Yang Fen and 30% by Mr. Cui Xiao Tong respectively. Therefore, Mr. Li Xiao Bin is deemed to be interested in the 82,458,117 Shares held by Honor Boom Investments Limited by virtue of the SFO.

10. Ms. Zhang Lina is the spouse of Mr. Li Xiao Bin. Therefore. Ms. Zhang Lina is deemed to be interested in the Shares in which Mr. Li Xiao Bin is interested by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, the Company has not been notified by any person (other than directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' REPORT

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares in, or debt securities (including debentures) of the Company or any other body corporate.

RELATED PARTY TRANSACTIONS

The related party transactions set out in note 43 to the consolidated financial statements did not fall within the definition of "discloseable connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to the issue of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules at any time during the year ended 31 December 2025.

CORPORATE GOVERNANCE

We are committed to ensuring high standards of corporate governance at all times and in all aspects of our operations. The Board believes that good corporate governance is an essential element in enhancing the confidence of current and potential shareholders, investors, employees, business partners and the community as a whole. The Board strives to adhere to the principles of corporate governance and has adopted corporate governance code provisions and practices to meet the relevant statutory and commercial standards by focusing on internal control, fair disclosure and accountability to all shareholders. The Company has complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2025 and there have been no material deviations from the Code Provisions.

AUDITOR

The consolidated financial statements have been audited by SHINEWING (HK) CPA Limited who will retire and, being eligible, offer themselves for re-appointment at the AGM.

AGM

The Company proposed that the AGM will be held on Thursday, 11 June 2026. A notice convening the AGM will be published and despatched to the shareholders of the Company (the "Shareholders") in the manner as required by the Listing Rules in due course.

On behalf of the Board

Gao Xia
Chairman

Hong Kong, 20 March 2026

INDEPENDENT AUDITOR'S REPORT

17/F, Chubb Tower, Windsor House,
311 Gloucester Road, Causeway Bay,
Hong Kong

香港銅鑼灣告士打道311號皇室大廈
安達人壽大樓17樓

TO THE MEMBERS OF CHINA TITANS ENERGY TECHNOLOGY GROUP CO., LIMITED
中國泰坦能源技術集團有限公司
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Titans Energy Technology Group Co., Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 111 to 204, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 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") 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 consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

Valuation of inventories

Refer to note 22 to the consolidated financial statements and the accounting policies in note 3.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, the carrying amount of inventories was approximately RMB193,570,000. We have identified the valuation of inventories as a key audit matter since the carrying amount of inventories was significant to the consolidated financial statements and the assessment on the allowance for inventories involves significant judgements and estimates made by the management.	Our audit procedures in relation to the valuation of inventories were designed to review the internal control and assess the management judgements and estimates made by the management on the assessment of the allowance for inventories as at 31 December 2025. We have discussed with the management for the long-aged inventories identified at 31 December 2025 and challenged their judgements and estimates on whether allowance need to be made. We have tested the ageing analysis of the inventories, on a sample basis for each ageing group, to goods receipt notes and purchase invoices and reviewed the utilisation and subsequent sales of inventories on a sample basis and inspect the utilisation report and sales contracts entered into between the Group and the customers on the inventories. We have also compared the latest selling price less all estimated cost of completion and costs necessary to make the sale with carrying amount of the inventories to consider whether the inventories were stated at lower of their costs or net realisable values.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Recoverability and impairment of trade receivables and contract assets

Refer to notes 23 and 24 to the consolidated financial statements and the accounting policies in note 3.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2025, the carrying amount of trade receivables and contract assets, net of allowance for expected credit loss ("ECL"), was approximately RMB318,237,000 and RMB28,418,000, respectively. Reversal of allowance for ECL in respect of trade receivables and contract assets of approximately RMB1,677,000 and RMB988,000 has been recognised during the year, respectively. The allowance for ECL on trade receivables and contract assets is estimated by the management bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period by using a provision matrix. Independent valuer was engaged by the management to review the ECL estimations of trade receivables and contract assets as at 31 December 2025. We have identified the recoverability and impairment of trade receivables and contract assets as a key audit matter in view of the significance of the carrying amount and the ECL estimation performed by the management involved significant judgements and estimates.	Our audit procedures were designed to review the internal control and assess the management judgement in making these assumptions and selecting the inputs to the ECL calculation of trade receivables and contract assets and challenge the reasonableness of the significant judgements and estimates. We have also assessed the appropriateness of the methodology and reviewed the inputs data used with reference to the forward looking macro-economic factors and assessed the accuracy of the historical default data. We tested the integrity of information used by management to develop the provision matrix, including trade receivables and contract assets ageing analysis as at 31 December 2025, on a sample basis, by comparing individual items in the aging analysis with the relevant sales contract, sales invoices and other supporting documents.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

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

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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 of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

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

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

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Pang Wai Hang.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong
20 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	(5)	**410,475**	392,249
Cost of revenue		**(303,736)**	(289,729)
Gross profit		**106,739**	102,520
Other revenue and income	(7)	**11,522**	4,292
Other gains and losses	(8)	**(1,743)**	206
Gain on disposal of a subsidiary	(38)	**–**	28,526
Selling and distribution expenses		**(53,604)**	(74,426)
Administrative and other expenses		**(77,026)**	(88,621)
Impairment losses of financial assets and contract assets, net	(11)	**(2,120)**	(17,671)
Share of results of associates		**24**	1,837
Finance costs	(9)	**(9,920)**	(8,598)
Loss before tax	(11)	**(26,128)**	(51,935)
Income tax (expense) credit	(10)	**(7,098)**	6,062
Loss for the year	(11)	**(33,226)**	(45,873)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Other comprehensive income (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain (loss) on financial assets at fair value through other comprehensive income		**2,194**	(4,328)
Income tax relating to item that will not be reclassified subsequently to profit or loss		**(453)**	575
Other comprehensive income (expense) for the year, net of income tax		**1,741**	(3,753)
Total comprehensive expense for the year		**(31,485)**	(49,626)
Loss for the year attributable to:			
– Owners of the Company		**(32,839)**	(45,383)
– Non-controlling interests		**(387)**	(490)
		(33,226)	(45,873)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		**(31,098)**	(49,136)
– Non-controlling interests		**(387)**	(490)
		(31,485)	(49,626)
LOSS PER SHARE	*(15)*		
Basic (RMB)		**(2.20 cents)**	(3.04 cents)
Diluted (RMB)		**(2.20 cents)**	(3.04 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	(16)	**172,314**	155,907
Right-of-use assets	(17)	**6,115**	7,935
Goodwill	(18)	**–**	–
Intangible assets	(19)	**4,639**	8,684
Interests in associates	(20)	**20,416**	20,392
Financial assets at fair value through other comprehensive income	(21)	**7,494**	5,300
Financial asset at fair value through profit or loss	(21)	**1,230**	1,230
Deferred tax assets	(32)	**14,003**	22,375
		226,211	221,823
Current assets			
Inventories	(22)	**193,570**	143,082
Trade and bills receivables	(23)	**318,635**	380,413
Contract assets	(24)	**28,418**	34,800
Prepayments, deposits and other receivables	(25)	**72,714**	45,850
Amounts due from associates	(26)	**512**	633
Tax recoverable		**3,979**	3,361
Restricted bank balances	(27)	**21,883**	56,874
Bank balances and cash	(27)	**172,906**	133,861
		812,617	798,874
Current liabilities			
Trade and bills payables	(28)	**165,994**	155,765
Accruals and other payables	(28)	**7,770**	8,461
Contract liabilities	(24)	**60,234**	63,858
Amounts due to associates	(29)	**455**	455
Bank and other borrowings	(30)	**153,223**	155,800
Lease liabilities	(31)	**–**	1,963
Tax payable		**342**	101
		388,018	386,403
Net current assets		**424,599**	412,471
Total assets less current liabilities		**650,810**	634,294

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Bank and other borrowings	(30)	**102,179**	53,968
Deferred tax liabilities	(32)	**10,479**	11,315
		112,658	65,283
Net assets		**538,152**	569,011
Capital and reserves			
Share capital	(34)	**13,093**	13,093
Share premium and reserves		**516,081**	547,179
Equity attributable to owners of the Company		**529,174**	560,272
Non-controlling interests		**8,978**	8,739
Total equity		**538,152**	569,011

The consolidated financial statements on pages 111 to 204 were approved and authorised for issue by the board of directors on 20 March 2026 and are signed on its behalf by:

Gao Xia	**An Wei**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company											
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Merger reserve RMB'000 *(Note (a))*	Exchange translation reserve RMB'000	Investments revaluation reserve RMB'000	Capital reserve RMB'000 *(Note (b))*	Statutory reserve fund RMB'000 *(Note (c))*	Retained profits/ (Accumulated loss) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	13,093	490,330	5,722	8,640	504	(13,394)	(4,771)	67,285	41,999	609,408	9,229	618,637
Loss for the year	–	–	–	–	–	–	–	–	(45,383)	(45,383)	(490)	(45,873)
Other comprehensive expense for the year:												
Fair value loss on financial assets at fair value through other comprehensive income	–	–	–	–	–	(4,328)	–	–	–	(4,328)	–	(4,328)
Income tax relating to item that will not be reclassified subsequently to profit or loss	–	–	–	–	–	575	–	–	–	575	–	575
Total comprehensive expense for the year	–	–	–	–	–	(3,753)	–	–	(45,383)	(49,136)	(490)	(49,626)
Issue of shares *(note 34)*	–	–	–	–	–	–	–	348	(348)	–	–	–
Forfeiture of share options	–	–	(2,485)	–	–	–	–	–	2,485	–	–	–
At 31 December 2024	**13,093**	**490,330**	**3,237**	**8,640**	**504**	**(17,147)**	**(4,771)**	**67,633**	**(1,274)**	**560,272**	**8,739**	**569,011**
At 31 December 2024 and 1 January 2025	**13,093**	**490,330**	**3,237**	**8,640**	**504**	**(17,147)**	**(4,771)**	**67,633**	**(1,247)**	**560,272**	**8,739**	**569,011**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(32,839)**	**(32,839)**	**(387)**	**(33,226)**
Other comprehensive expense for the year:												
Fair value loss on financial assets at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**	**2,194**	**–**	**–**	**–**	**2,194**	**–**	**2,194**
Income tax relating to item that will not be reclassified subsequently to profit or loss	**–**	**–**	**–**	**–**	**–**	**(453)**	**–**	**–**	**–**	**(453)**	**–**	**(453)**
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**1,741**	**–**	**–**	**(32,839)**	**(31,098)**	**(387)**	**(31,485)**
Transfer of reserves	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,364**	**(1,364)**	**–**	**–**	**–**
Acquisition of a subsidiary *(note 38)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**626**	**626**
Forfeiture of share options	**–**	**–**	**(3,237)**	**–**	**–**	**–**	**–**	**–**	**3,237**	**–**	**–**	**–**
At 31 December 2025	**13,093**	**490,330**	**–**	**8,640**	**504**	**(15,406)**	**(4,771)**	**68,997**	**(32,213)**	**529,174**	**8,978**	**538,152**

Notes:

(a) Merger reserve represents the amount of consideration paid to Zhuhai Titans Group Company Limited, in excess of the net book value of the subsidiary acquired from Zhuhai Titans Technology Co., Ltd.*珠海泰坦科技股份有限公司("Titans Technology") in previous years.

(b) Capital reserve represents the difference between the consideration paid for the acquisition of additional equity interests in subsidiaries and the carrying value of the additional equity interests of the subsidiaries acquired.

(c) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), those subsidiaries are required to transfer 5% to 10% of the profit after taxation reported under the relevant accounting policies and financial regulations in the PRC to the statutory surplus reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity owners. The statutory reserve fund can be used to make up previous year's losses, expand the existing operations or convert into additional capital of the subsidiaries.

* English name is for identification purpose only

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Loss before tax		**(26,128)**	(51,935)
Adjustments for:			
Finance costs		**9,920**	8,598
Bank interest income		**(515)**	(810)
Share of results of associates		**(24)**	(1,837)
Depreciation of property, plant and equipment		**11,076**	11,776
Depreciation of right-of-use assets		**1,820**	1,820
Amortisation of intangible assets		**4,104**	5,012
Impairment loss of financial assets and contact assets, net	*(11)*	**2,120**	17,671
Gain on disposal of a subsidiary	*(38)*	**–**	(28,526)
Loss on disposal of PPE		**1,736**	–
Fair value gain on financial asset at fair value through profit or loss		**–**	(21)
Operating cash outflow before movements in working capital		**4,109**	(38,252)
(Increase) decrease in inventories		**(49,005)**	49,017
Decrease (increase) in trade and bills receivables		**63,455**	(89,105)
Decrease in contract assets		**7,370**	5,270
(Increase) decrease in prepayments, deposits and other receivables		**(31,556)**	2,614
Decrease in amounts due from associates		**121**	208
Increase (decrease) in trade and bills payables		**10,216**	(59,744)
(Decrease) increase in accruals and other payables		**(1,041)**	32
(Decrease) increase in contract liabilities		**(3,624)**	952
Cash generated from (used in) operations		**45**	(129,008)
Income tax (paid) refunded		**(392)**	1,077
NET CASH USED IN OPERATING ACTIVITIES		**(347)**	(127,931)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Net cash inflow from disposal of a subsidiary	39	–	30,046
Repayment of consideration receivable		–	6,000
Placement of restricted bank balances		(21,883)	(58,584)
Withdrawal of restricted bank balances		56,874	34,689
Bank interest received		515	810
Capital refund from an associate		–	735
Proceed from disposal of property, plant and equipment		2,654	–
Purchase of property, plant and equipment		(31,873)	(14,115)
Acquisition of subsidiary, net	38	(587)	–
Purchase of intangible assets		(59)	(198)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		5,641	(617)
FINANCING ACTIVITIES			
New bank and other borrowings raised		248,688	190,292
Repayment of bank and other borrowings		(203,054)	(137,073)
Repayment to associates		–	(100)
Interest paid on bank and other borrowings		(9,913)	(8,512)
Repayment of lease liabilities and interest on lease liabilities		(1,970)	(1,970)
NET CASH FROM FINANCING ACTIVITIES		33,751	42,637
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		39,045	(85,911)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		133,861	219,772
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, REPRESENTED BY BANK BALANCES AND CASH		172,906	133,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

China Titans Energy Technology Group Co., Limited (the "Company") was incorporated and registered as an exempted company in the Cayman Islands with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's immediate holding company is 唐山國控科技創新投資集團有限公司 (Tangshan Guokong Science and Technology Innovation Investment Group Co., Limited) ("Tangshan Guokong") (incorporated in Hong Kong), and its shares is ultimately owned by 唐山國控集團有限公司 ("Tangshan Guokong Group Company Limited"*) ("Tangshan Group") (incorporated in the People's Republic of China). The ultimate controlling party of Tangshan Group is 唐山市人民政府國有資產監督管理委員會 (Tangshan Municipal People's Government State-owned Assets Supervision and Administration Commission*) ("Tangshan SASAC") in the PRC.

The addresses of the registered office and principal place of business of the Company are disclosed in the section "Corporate Information" to the annual report.

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are (i) supply of power electric products and equipment; (ii) supply of charging equipment for electric vehicles; (iii) provision of charging services for electric vehicles and construction services of charging poles for electric vehicles under Build-Operate-Transfer ("BOT") arrangements. The Company's principal activity is investment holding. The principal activities of the subsidiaries are set out in note 45.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") ACCOUNTING STANDARDS

Amendments to HKFRS Accounting standards that are mandatory effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

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

* English name is for identification purpose only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") ACCOUNTING STANDARDS (Continued)

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 Effective for annual period beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policy information are set out below.

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 where the Group has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) ability to use its power over the investee to affect the amount of the Group’s return.

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date of the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income or expense 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary 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 (ii) the carrying amount of the assets, and liabilities of the subsidiary attributable to the owners of the Company.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method. Under the equity method, investments in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

The requirements of HKAS 36 Impairment of Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of an investment in an associate (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment is recognised to the extent that the recoverable amount of the net investment subsequently increases.

Gains and losses resulting from transactions between the Group and its associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are unrelated to the Group. The Group's share in the associate's gains or losses resulting from these transactions is eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers

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

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

The Group recognised 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 customers.

A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially 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 asset is created or enhanced; or
- The Group' 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.

Revenue is measured based on the consideration to which that group expects to be entitled in a contract with a customer, excludes discounts and sales related taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Contract assets and contract liabilities

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

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

The Group recognised revenue from the following major sources:

- Sales of electric products
- Provision of charging services for electric vehicles

Sales of goods

Revenue from sale of electric products is recognised at the point when the control of the goods is transferred to the customers (generally on delivery of equipment and acceptance by the customers).

Provision of charging services for electric vehicles

For the provision of charging services for electric vehicles, revenue is recognised based on the electricity transmitted and at the point when the electricity is transferred to the electric vehicles.

Leasing

Definition of a lease

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

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

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leasing (Continued)

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its electric vehicles. Leases for which the Group is a lessor are classified as operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange translation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Borrowing costs

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

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

Government grants

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

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to the state-managed retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

Short-term employee benefits

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

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

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

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

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including cost of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Service Concession arrangements

Consideration given by the grantor

An intangible asset (charging services concession rights) is recognised to the extent that the Group receives a right to charge users of the public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. The intangible asset (charging services concession rights) is accounted for in accordance with the policy set out for "intangible assets" below.

Consideration received or receivable by the Group for the construction services rendered under service concession arrangement is recognised initially at its fair value as an intangible asset.

Operating services

Revenue and costs relating to operating services are accounted for in accordance with the policy for "revenue recognition - provision of charging services for electric vehicles" above.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment loss, if any. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognises an intangible asset at fair value upon initial recognition. The intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over the respective periods of the operating concession rights granted to the Group of 8 or 10 years.

Research and development expenditure

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Cash and cash equivalents

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

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 27.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above.

Investment in a subsidiary

Investment in a subsidiary is stated on the statement of financial position of the Company at cost less accumulated impairment loss, if any.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 Revenue from Contracts with Customers. 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. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets

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

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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

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

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

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

Interest income is recognised in profit or loss and is included in the 'other revenue and income' line item (note 7).

Equity instruments designated as at FVTOCI

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the other gains and losses line item (note 8). Fair value is determined in the manner described in note 36(c).

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and amounts due from associates. The expected credit losses on these financial assets and other items are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

For all other financial assets measured at amortised cost, the Group measures the loss allowance equal to 12-month ECL, unless when there has 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 increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

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

- an actual or expected significant deterioration in the internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset 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) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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.

Definition of default

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

- when there is a breach of financial covenants by the debtor; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 2 years past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience, continuous long term customers relationship and forward-looking information that is available without undue cost or effort. The Group rebutted the presumption of default under ECL model for trade debtors over 90 days past due based on the good repayment records for those customers, continuous business with the Group and/or other reasonable and supportable information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

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. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of expected credit losses (Continued)

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount 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 party.

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. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity 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 a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

The Group's financial liabilities including trade and bills payables, accruals and other payables, amounts due to associates and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees and directors of the Company

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

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

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy in respect of goodwill above) (Continued)

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

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

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

Fair value measurement

When measuring fair value, except for the Group's share-based payment transactions, leasing transactions and net realisable value of inventories and value in use of goodwill, interest in associates, property, plant and equipment, right-of-use assets and intangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

Level 1 – Fair value measurements are those derived from quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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 causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Income taxes

As at 31 December 2025, a deferred tax asset of approximately RMB9,758,000 (2024: RMB17,583,000) in relation to deductible temporary differences of allowance for impairment loss of trade receivables, contract assets, deposits and other receivables in aggregate of approximately RMB65,063,000 (2024: RMB117,220,000) has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the remaining deductible temporary differences of (i) allowance for impairment loss of trade receivables and contract assets, deposits and other receivables of approximately RMB7,461,000 (2024: RMB53,729,000); and (ii) unused tax losses of approximately RMB112,810,000 (2024: RMB109,201,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Impairment of trade receivables, contract assets, deposits and other receivables and amounts due from associates

The impairment provisions for trade receivables, contract assets, deposits and other receivables, and amounts due from associates are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. At 31 December 2025, the aggregate carrying amount and accumulated impairment loss of trade receivables, contract assets, deposits and other receivables, and amounts due from associates are approximately RMB395,198,000 (2024: RMB437,744,000) and RMB72,523,000 (2024: RMB118,527,000), respectively. During the year ended 31 December 2025, impairment of financial assets, net of RMB2,120,000 (2024: 17,671,000) was recognised.

Valuation of inventories

The management review the inventory ageing analysis on a periodical basis in order to determine whether allowance need to be made in respect of any long-aged inventories identified, and estimate the net realisable value based the latest selling price less all estimated cost of completion and costs necessary to make the sale with carrying amount of the inventories to consider whether the inventories were stated at lower of their costs or net realisable values. As at 31 December 2025, the carrying amount of inventories is approximately RMB193,570,000 (2024: RMB143,082,000). During the year ended 31 December 2025, no allowance of inventories was recognised (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment assessment of interests in associates

At the end of the reporting period, the directors of the Company review its interests in associates and identified if there is any indication that those assets may suffer an impairment loss. If an objective evidence of impairment exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss. The estimates of the recoverable amounts of the assets require the use of assumptions such as cash flow projections and discount rates. As at 31 December 2025, the carrying amount of interests in associates was approximately RMB20,416,000 (2024: RMB20,392,000), net of accumulated impairment loss of approximately RMB697,000 (2024: RMB697,000).

Fair value measurement and valuation process of unlisted and listed equity investments

The Group's unlisted and listed equity investments are measured at fair value at the end of each reporting period.

In estimating the fair value of the unlisted and listed equity investments of approximately RMB7,194,000 (2024: RMB5,300,000) and RMB1,230,000 (2024: RMB1,230,000) as at 31 December 2025, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of unlisted and listed equity investments. Note 36(c) provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the unlisted and listed equity investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE

Revenue represents the amounts arising on (i) sales of electric products including direct current power system ("DC Power System"), power storage equipment and charging equipment for electric vehicles ("Charging equipment"); (ii) provision of charging services for electric vehicles; and (iii) rental income from the operating leases of electric vehicles.

An analysis of the Group's revenue for the year is as follows:

	2025	2024
	RMB'000	RMB'000
Revenue from contract with customers within the scope of HKFRS 15		
Disaggregated by major products or services lines		
Sales of electric products		
– DC Power System	**143,065**	144,473
– Charging equipment	**236,927**	224,584
Provision of charging services for electric vehicles	**22,871**	22,998
Distribution of electronic and electrical equipment	**7,612**	–
	410,475	392,055
Revenue from other source		
– Rental income from operating leases of electric vehicles	**–**	194
	410,475	392,249

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. REVENUE (Continued)

Disaggregation of revenue from contract with customers by timing of recognition

	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
At a point in time	**410,475**	392,055

Transaction price allocated to the remaining performance obligation for contracts with customer

All the Group's sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The executive directors of the Company have chosen to organise the Group around differences in products and service lines. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable segments under HKFRS 8 are as follows:

(i) DC Power System — Manufacturing and sales of direct current power system

(ii) Charging Equipment — Manufacturing and sales of power storage equipment and charging equipment for electric vehicles

(iii) Charging Services — Provision of charging services for electric vehicles

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Segment revenues and results

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

Year ended 31 December 2025

	DC Power System RMB'000	Charging Equipment RMB'000	Charging Services RMB'000	Unallocated RMB'000	Total RMB'000
Types of goods or service					
Sales of electric products	143,065	236,927	–	–	379,992
Provision of charging services for electric vehicles	–	–	22,871	–	22,871
Distribution of electronic and electrical equipment	–	–	–	7,612	7,612
Segment revenue	143,065	236,927	22,871	7,612	410,475
Segment profit	26,605	72,529	1,176	939	101,249
Unallocated Other revenue					11,522
Unallocated other gains and losses					(1,743)
Unallocated expenses					(127,260)
Share of results of associates					24
Finance costs					(9,920)
Loss before tax					(26,128)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

Year ended 31 December 2024

	DC Power System RMB'000	Charging Equipment RMB'000	Charging Services RMB'000	Unallocated RMB'000	Total RMB'000
Types of goods or service					
Sales of electric products	144,473	224,584	–	–	369,057
Provision of charging services for electric vehicles	–	–	22,998	–	22,998
Revenue from contracts with customers	144,473	224,584	22,998	–	392,055
Rental income from operating leases of electric vehicles	–	–	–	194	194
Segment revenue	144,473	224,584	22,998	194	392,249
Segment profit	37,284	70,131	2,163	43	109,621
Other revenue					4,292
Unallocated other gains and losses					206
Unallocated expenses					(159,293)
Share of results of associates					1,837
Finance costs					(8,598)
Loss before tax					(51,935)

Note: All of the segment revenue reported above is from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of other revenue and income, other gains and losses, impairment losses of financial assets in respect of other receivables, share of results of associates, selling and distribution expense and certain administrative costs, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	2025	2024
	RMB'000	RMB'000
DC Power System	**302,164**	290,023
Charging Equipment	**443,499**	435,716
Charging Services	**51,254**	51,564
Total segment assets	**796,917**	777,303
Unallocated	**241,911**	243,394
Consolidated assets	**1,038,828**	1,020,697

Segment liabilities

	2025	2024
	RMB'000	RMB'000
DC Power System	**96,605**	94,993
Charging Equipment	**101,305**	100,161
Charging Services	**28,318**	27,715
Total segment liabilities	**226,228**	222,869
Unallocated	**274,448**	232,063
Consolidated liabilities	**500,676**	454,932

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

- all assets are allocated to operating segments other than interests in associates, financial asset at FVTOCI, financial assets at FVTPL, deferred tax assets, tax recoverable, restricted bank balances and bank balances and cash; and

- all liabilities are allocated to operating segments other than accruals and other payables, lease liabilities, tax payable, amounts due to associates, bank and other borrowings and deferred tax liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2025

	DC Power System RMB'000	Charging Equipment RMB'000	Charging Services RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or segment assets:					
Additions to non-current assets *(note)*	7,795	20,907	3,230	–	31,932
Impairment losses of financial assets in respect of other receivables	–	–	–	4,785	4,785
Reversal of impairment losses of financial assets in respect of trade receivables	(1,677)	–	–	–	(1,677)
Reversal of impairment losses of financial assets in respect of contract assets	(988)	–	–	–	(988)
Loss on disposal of plant and equipment	1,736	–	–	–	1,736
Depreciation and amortisation	4,181	7,534	5,277	8	17,000
Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:					
Interests in associates	–	–	–	20,416	20,416
Financial assets at FVTOCI	–	–	–	7,494	7,494
Financial assets at FVTPL	–	–	–	1,230	1,230
Share of results of associates	–	–	–	(24)	(24)
Bank interest income	–	–	–	(515)	(515)
Income tax expense	–	–	–	7,098	7,098
Finance costs	–	–	–	9,920	9,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2024

	DC Power System RMB'000	Charging Equipment RMB'000	Charging Services RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets *(note)*	3,494	9,371	1,448	–	14,313
Impairment losses of financial assets in respect of trade receivables	20,339	–	–	–	20,339
Reversal of impairment losses of financial assets in respect of trade receivables	(5,034)	–	–	–	(5,034)
Impairment losses of financial assets in respect of contract assets	2,366	–	–	–	2,366
Gain on disposal of a subsidiary	(28,526)	–	–	–	(28,526)
Depreciation and amortisation	4,577	8,247	5,778	6	18,608
Amounts regularly provided to the CODM but not included in the measure of segment profit or segment assets:					
Interests in associates	–	–	–	20,392	20,392
Financial assets at FVTOCI	–	–	–	5,300	5,300
Financial assets at FVTPL	–	–	–	1,230	1,230
Share of results of associates	–	–	–	(1,837)	(1,837)
Bank interest income	–	–	–	(810)	(810)
Income tax credit	–	–	–	(6,062)	(6,062)
Finance costs	–	–	–	8,598	8,598

Note: Non-current assets excluded interests in associates, financial assets at FVTOCI, financial asset at FVTPL and deferred tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Geographical information

All revenue from external customers of the Group is derived from PRC and all non-current assets of the Group are located in the PRC.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025	2024
	RMB'000	RMB'000
Customer A[1]	*	41,174

[1] Revenue from Charging Equipment segment

* Less than 10% of revenue

7. OTHER REVENUE AND INCOME

	2025	2024
	RMB'000	RMB'000
Value added tax ("VAT") refunds *(Note (a))*	**2,999**	2,552
Bank interest income	**515**	810
Government grants *(Note (b))*	**8,008**	930
	11,522	4,292

Notes:

(a) The amount represent the VAT refund in respect of sales of electric products qualified under the PRC tax bureau's policy.

(b) During the years ended 31 December 2025 and 2024, the government grants are subsidies received regarding the research and development on technology innovation and promotion of electric vehicles. As at 31 December 2025 and 2024, there are no unfulfilled conditions or contingencies relating to those subsidies and they are recognised as other income upon receipt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

8. OTHER GAINS AND LOSSES

	2025	2024
	RMB'000	RMB'000
Fair value gain on financial assets at FVTPL *(note 21)*	**–**	21
Loss on disposal of plant and equipment	**(1,736)**	–
Net exchange (loss)/gain	**(7)**	185
	(1,743)	206

9. FINANCE COSTS

	2025	2024
	RMB'000	RMB'000
Interests on:		
Bank borrowings	**9,556**	8,214
Other borrowings	**357**	298
Lease liabilities	**7**	86
	9,920	8,598

10. INCOME TAX EXPENSE/(CREDIT)

	2025	2024
	RMB'000	RMB'000
Income tax		
Current year	**15**	–
Deferred tax *(note 32)*:		
Current year	**7,083**	(6,062)
Total	**7,098**	(6,062)

For the years ended 31 December 2025 and 2024, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made as there were no assessable profits generated during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. INCOME TAX EXPENSE/(CREDIT) (Continued)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable tax rate of certain PRC subsidiaries is 25% for both years. Titans Technology was accredited as an approved high technology enterprise and therefore is entitled to a tax concession period of reduction in EIT rate of 15% from 2020 to 2023. In December 2023, Titans Technology obtained extension approval from the relevant tax authority in PRC for entitlement of a tax concession period of reduction in EIT rate of 15% from 2024 to 2026. No provision for EIT has been made for the year ended 31 December 2024 as the Group did not have any assessable profits subject to EIT.

Under the prevailing EIT Law and its relevant regulations, any dividends paid by the Company's PRC subsidiaries from their earnings derived after 1 January 2008 to the Company's Hong Kong subsidiaries are subject to PRC dividend withholding tax rate of 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty.

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

	2025 **RMB'000**	2024 RMB'000
Loss before tax	**(26,128)**	(51,935)
Tax at the applicable income tax rate of 15% (2024: 15%) *(note (i))*	**(3,919)**	(7,790)
Tax effect of expenses not deductible for tax purpose	**1,419**	937
Tax effect of super deduction for research and development expenses	**(3,322)**	(3,372)
Tax effect of income not taxable for tax purpose	**(286)**	(130)
Tax effect of share of results of associates	**(6)**	(459)
Tax effect of tax losses not recognised	**5,658**	5,648
Tax effect on withholding tax arising on undistributed profits of the PRC subsidiaries	**(836)**	(966)
Utilization of tax losses previously not recognised	**(637)**	–
Tax effect of deductible temporary differences not recognised	**10,669**	485
Effect of different tax rates of subsidiaries operating in other jurisdictions or subsidiaries subject to PRC statutory tax rate of 25%	**(1,642)**	(415)
Income tax expense/(credit)	**7,098**	(6,062)

Note:

(i) The PRC EIT of 15% applicable to Titans Technology is used as it is the domestic tax rate where the result and operation of the Group is substantially derived from.

Details of deferred taxation are set out in note 32.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. LOSS FOR THE YEAR

Loss for the year have been arrived at after charging (crediting):

	2025 RMB'000	2024 RMB'000
Staff costs		
Directors' and chief executive's emoluments *(note 12)*	**1,699**	1,889
Other staff:		
– salaries and other allowances	**46,066**	56,369
– retirement benefits scheme contributions (excluding directors' and chief executive's emoluments)	**7,766**	8,662
Total staff costs	**55,531**	66,920
Impairment losses of financial assets and contract assets and other receivables:		
– trade receivables	**–**	20,339
– contract assets	**–**	2,366
– other receivables	**4,785**	–
	4,785	22,705
Reversal of impairment losses of financial assets and contract assets		
– trade receivables	**(1,677)**	(5,034)
– contract assets	**(988)**	–
	(2,665)	(5,034)
Impairment losses of financial assets and contract assets, net	**2,120**	17,671
Amortisation of intangible assets (included in cost of revenue)	**4,104**	5,012
Depreciation of property, plant and equipment	**11,076**	11,776
Depreciation of right-of-use assets	**1,820**	1,820
Total depreciation and amortisation	**17,000**	18,608
Auditors' remuneration	**1,070**	1,009
Cost of inventories recognised as an expense	**254,069**	211,565
Research and development expenses (included in administrative and other expenses) *(Note (i))*	**23,683**	37,706

Note:

(i) Research and development expenses included staff costs which has been included in total staff costs disclosure above and depreciation of property, plant and equipment which have been included in total depreciation disclosure above for the purpose of research and development activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the eight (2024: eight) directors and the chief executive were as follows:

For the year ended 31 December 2025

	Executive directors					Non- executive director		Independent non-executive directors			
	Bi Jingfeng RMB'000 *(Note a)*	Tao Chen RMB'000 *(Note b)*	Gao xia RMB'000	Li Xin Qing RMB'000	An Wei RMB'000	Jiang Wenqi RMB'000	Meng Yao RMB'000 *(Note c)*	Liu Wei RMB'000	Jiang Yan RMB'000	Li Xiang Feng RMB'000	Total RMB'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings:											
Fees	–	–	–	–	–	–	–	106	106	106	318
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings:	–	–	–	–	–	–	–	–	–	–	–
Other emoluments											
Salaries	–	–	–	685	696	–	–	–	–	–	1,381
Total emoluments	–	–	–	685	696	–	–	106	106	106	1,699

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

For the year ended 31 December 2024

	Executive directors				Non- executive director	Independent non-executive directors			
	Bi Jingfeng RMB'000 *(Note a)*	Gaoxia RMB'000	Li Xin Qing RMB'000	An Wei RMB'000	Jiang Wenqi RMB'000	Liu Wei RMB'000	Jiang Yan RMB'000	Li Xiang Feng RMB'000	Total RMB'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company and its subsidiary undertakings:									
Fees	–	–	–	–	–	112	112	112	336
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company and its subsidiary undertakings:	–	–	–	–	–	–	–	–	–
Other emoluments									
Salaries	–	–	790	763	–	–	–	–	1,553
Total emoluments	–	–	790	763	–	112	112	112	1,889

12. DIRECTORS’ AND CHIEF EXECUTIVE’S EMOLUMENTS (Continued)

Notes:

a) Bi Jengfeng resigned as an executive director of the Company with effect from 7 November 2025.

b) Tao Chen was appointed as executive director of the company with effect from 7 November 2025, he resigned as non-executive director and was appointed as executive director of the Company.

c) Meng Yao was appointed as non-executive director of the Company with effect from 7 November 2025

The executive directors’ emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

Mr. An Wei is also the chief executive of the Company, and his emoluments disclosed above include those for services rendered by him as the chief executive of the Company.

No directors waived or agreed to waive any of their emoluments during the years ended 31 December 2025 and 2024.

No emoluments were paid by the Group to any directors of the Group as an inducement to join or upon joining the Group, or as compensation for loss of office for the years ended 31 December 2025 and 2024.

13. EMPLOYEES’ EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2024: two) were directors of the Company including the chief executive of the Company whose emoluments are included in the disclosures in note 12 above. The emoluments of the three (2024: three) individuals were as follows:

	2025	2024
	RMB’000	RMB’000
Salaries and other allowances	**1,642**	1,296
Discretionary bonus *(Note)*	**–**	–
Retirement benefits scheme contributions	**262**	226
	1,904	1,522

Note: Discretionary bonus was determined by the Board of the Company having regard to the Group’s operating results, individual performance and comparable market statistics.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

13. EMPLOYEES' EMOLUMENTS (Continued)

The emoluments of the above remaining three individuals are within the band nil to Hong Kong dollars ("HK$") HK$1,000,000 (equivalent to approximately RMB903,000) (2024: HK$1,000,000 (equivalent to approximately RMB926,000)) for the years ended 31 December 2025 and 2024.

No emoluments were paid by the Group to any top five employees of the Group as an inducement to join or upon joining the Group, or as compensation for loss of office for the years ended 31 December 2025 and 2024.

14. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

15. LOSS PER SHARE

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

	2025	2024
	RMB'000	RMB'000
Loss for the year for the purpose of basic and diluted loss per share	**(32,839)**	(45,383)

	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,492,026**	1,492,026

As the Group incurred loss for the years ended 31 December 2025 and 2024, the impact of share options was not included in the calculation of the diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2025 and 2024 are the same as basic losses per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Ownership interests in land and buildings RMB'000	Leasehold improvements RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Plant and machinery RMB'000	Contraction in progress RMB'000	Total RMB'000
Cost							
At 1 January 2024	173,243	14,409	22,920	9,185	47,914	2,414	270,085
Additions	–	–	–	–	6,428	7,687	14,115
Transfer	–	324	–	–	–	(324)	–
Disposal of a subsidiary *(note 39)*	(15,010)	–	–	–	–	–	(15,010)
At 31 December 2024 and 1 January 2025	158,233	14,733	22,920	9,185	54,342	9,777	269,190
Additions	–	–	4,041	–	4,843	22,989	31,873
Transfer	–	7,803	–	–	–	(7,803)	–
Disposal			(8,688)	(1,393)	(8,803)	–	(18,884)
At 31 December 2025	158,233	22,536	18,273	7,792	50,382	24,963	282,179
ACCUMULATED DEPRECIATION							
At 1 January 2024	42,605	14,398	20,121	5,260	32,677	–	115,061
Provided for the year	6,282	4	1,838	628	3,024	–	11,776
Eliminated on disposal of a subsidiary *(note 39)*	(13,554)	–	–	–	–	–	(13,554)
At 31 December 2024 and 1 January 2025	35,333	14,402	21,959	5,888	35,701	–	113,283
Provided for the year	6,374	4	1,609	323	2,766	–	11,076
Eliminated on disposals	–	–	(7,852)	(1,237)	(5,405)	–	(14,494)
At 31 December 2025	41,707	14,406	15,716	4,974	33,062	–	109,865
CARRYING VALUES							
31 December 2025	116,526	8,130	2,557	2,818	17,320	24,963	172,314
31 December 2024	122,900	331	961	3,297	18,641	9,777	155,907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group's ownership interests in land and buildings are located in the PRC.

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account their estimated residual value, at the following rates per annum:

Ownership interests in land and buildings	4.5%
Leasehold improvements	over the shorter of the term of the lease, or 5 years
Furniture, fixtures and equipment	18 - 19%
Motor vehicles	18 - 19%
Plant and machinery	18 - 19%

As at 31 December 2025, the Group has pledged its ownership interests in land and buildings with carrying values of approximately RMB116,526,000 (2024: RMB122,900,000) to secure banking facilities granted to the Group. Details of bank borrowings are set out in note 30.

17. LEASES

(i) Right-of-use assets

	2025	2024
	RMB'000	RMB'000
Leasehold lands in the PRC	**6,115**	6,427
Leased properties	**–**	1,508
	6,115	7,935

Lease contracts were entered into for fixed term of 1 to 2 years. Lease terms are negotiated on an individual basis and contain different terms and conditions.

(ii) Amounts recognised in profit or loss

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Depreciation expense on right-of-use assets:		
– Leasehold lands in the PRC	**312**	313
– Leased properties	**1,508**	1,507
	1,820	1,820
Interest expense on lease liabilities	**7**	86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. LEASES (Continued)

(iii) Others

As at 31 December 2025, the Group has pledged its leasehold lands of approximately RMB6,115,000 (2024: RMB6,427,000) to secure banking facilities granted to the Group. Details of bank borrowings are set out in note 30.

During the year ended 31 December 2025, the total cash outflow for leases is amounting to approximately RMB1,970,000 (2024: RMB1,970,000).

Restrictions or covenants on leases

As at 31 December 2024, lease liabilities of approximately RMB1,963,000 (2025: RMB Nil) are recognised with related right-of-use assets of RMB1,508,000 (2025: Nil). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. GOODWILL

	RMB'000
COST	
At 1 January 2024, 31 December 2024, 1 January2025 and 31 December 2025	449
IMPAIRMENT	
At 1 January 2024, 31 December 2024, 1 January2025 and 31 December 2025	449
CARRYING VLAUE	
At 31 December 2025	–
At 31 December 2024	–

The goodwill had been recognised upon acquisition of a subsidiary – Shandong Huidian New Energy Technology Co., Ltd.* ("Shandong Huidian") 山東匯電新能源科技有限公司 during the year ended 31 December 2017. The goodwill have been fully impaired in previous year.

* English name is for identification purpose only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19. INTANGIBLE ASSETS

	Technical know-how RMB'000	Charging services concession rights RMB'000	Total RMB'000
COST			
At 1 January 2024	3,000	51,693	54,693
Addition	198	–	198
At 31 December 2024 and 1 January 2025	3,198	51,693	54,891
Addition	59	–	59
31 December 2025	3,257	51,693	54,950
AMORTISATION			
At 1 January 2024	3,000	38,195	41,195
Provided for the year	2	5,010	5,012
At 31 December 2024 and 1 January 2025	3,002	43,205	46,207
Provided for the year	20	4,084	4,104
At 31 December 2025	3,022	47,289	50,311
CARRYING VALUES			
At 31 December 2025	235	4,404	4,639
At 31 December 2024	196	8,488	8,684

Notes:

(i) The technical know-how acquired from independent third parties has finite useful life. It is amortised on the straight-line basis over the estimated useful life of 7 or 10 years.

(ii) For the BOT arrangement in Shaoguan, the charging services concession right for an exclusive period of 8 years with initial cost of approximately RMB20,912,000 was incurred during the year ended 31 December 2016. During the year ended 31 December 2025, no amortisation expense has been recognised (2024: RMB1,307,000).

For the BOT arrangement in Baoding, the charging services concession right for an exclusive period of 10 years with initial cost of approximately RMB5,780,000 was incurred during the year ended 31 December 2016. During the year ended 31 December 2025, amortisation expense of approximately RMB770,000 (2024: RMB578,000) has been recognised.

For the BOT arrangements in Foshan, two charging services concession rights for exclusive period of 8 years with aggregated initial costs of RMB25,001,000 which were incurred during the years ended 31 December 2017 and 31 December 2019. During the year ended 31 December 2025, amortisation expense of approximately RMB3,314,000 (2024: RMB3,125,000) has been recognised.

Details of BOT arrangement are set out in note 33.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. INTERESTS IN ASSOCIATES

	2025	2024
	RMB'000	RMB'000
Cost of investment in unlisted associates	**17,145**	17,145
Share of post-acquisition results, net of dividend received	**3,968**	3,944
Accumulated impairment losses recognised	**(697)**	(697)
	20,416	20,392

As at 31 December 2025 and 2024, the Group had interests in the following material associates:

Name of entity	Form of entity	Place of establishment/ operation	Class of shares held	Proportion of ownership interests indirectly held by the Group		Proportion of voting power held		Principal activities
				2025	2024	**2025**	2024	
Jiangsu Titans	Registered	The PRC	Contributed capital	**17%**	17%	**20% *(Note i)***	20% *(Note i)*	Research and development, sales and manufacturing of automated guided vehicles
Guangdong Titans	Registered	The PRC	Contributed capital	**9.4%**	9.4%	**20% *(Note i)***	20% *(Note i)*	Research and development, sales and manufacturing of automated guided vehicles

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

Note:

(i) The Group is able to exercise significant influence over Jiangsu Titans and Guangdong Titans because it has the power to appoint one out of the five directors of that company under the provisions stated in the Articles of Association of Jiangsu Titans and Guangdong Titans.

(ii) During the year ended 31 December 2024, the Gourp received a capital refund of approximately RMB735,000 (2025: RMB Nil) from an associate due to deregistration. No gain or loss of deregistration was recognised during the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information in respect of each of the associates that is material to the Group and is accounted for using equity method is set out below.

Jiangsu Titans

	2025	2024
	RMB'000	RMB'000
Current assets	**28,696**	20,752
Non-current assets	**45,321**	42,449
Current liabilities	**33,333**	15,780
Non-current liabilities	**–**	–

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue for the year	**27,188**	20,401
Profit and total comprehensive income for the year	**615**	6,504
The Group's share of profit	**105**	1,106

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in Jiangsu Titans is set out below:

	2025	2024
	RMB'000	RMB'000
Net assets of Jiangsu Titans	**40,684**	47,421
Proportion of the Group's ownership interest in Jiangsu Titans	**17%**	17%
	6,916	8,062
Goodwill	**5,807**	5,807
Carrying amount of the Group's interest in Jiangsu Titans	**12,723**	13,869

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For the year ended 31 December 2025

20. INTERESTS IN ASSOCIATES (Continued)

Guangdong Titans

	2025	2024
	RMB'000	RMB'000
Current assets	**159,351**	161,670
Non-current assets	**21,371**	17,267
Current liabilities	**114,245**	112,026
Non-current liabilities	**399**	611

	2025	2024
	RMB'000	RMB'000
Revenue for the year	**222,961**	207,057
(Loss)/profit and total comprehensive (expense)/income for the year	**(1,052)**	7,548
The Group's share of (loss)/profit	**(21)**	709

The reconciliation of the summarised financial information presented above to the carrying amount of the interest in Guangdong Titans is set out below:

	2025	2024
	RMB'000	RMB'000
Net assets of Guangdong Titans	**66,078**	66,300
Proportion of the Group's ownership interest in Guangdong Titans	**9.4%**	9.4%
Carrying amount of the Group's interest in Guangdong Titans	**6,211**	6,232

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. INTERESTS IN ASSOCIATES (Continued)

Guangdong Titans (Continued)

The financial information and carrying amount, in aggregate, of the Group's interests in associates that are not individually material and are accounted for using the equity method are set out below:

	2025	2024
	RMB'000	RMB'000
The Group's share of profit (loss)	**(60)**	22

	2025	2024
	RMB'000	RMB'000
Share of net assets in immaterial associates	**231**	988
Accumulated impairment losses recognised	**–**	(697)
Carrying amount of the Groups interest in immaterial associates	**231**	291

The Group has stopped recognising its share of losses of certain associates when applying the equity method. The unrecognised share of those associates, both for the year and cumulatively, are set out below:

	2025	2024
	RMB'000	RMB'000
Unrecognised share of losses of associates for the year	**–**	–
Accumulated unrecognised share of losses of associates	**18,375**	18,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	**2025** **RMB'000**	2024 RMB'000
Financial asset at FVTPL comprises:			
– Equity security listed in the PRC	*(a)*	**1,230**	1,230
Financial assets at FVTOCI comprises:			
– Unlisted equity securities	*(b)*	**7,494**	5,300

Notes:

(a) As at 31 December 2025, the investment in equity security, represented Sichuan Haote Precision Equipment Limited* (四川豪特精工裝備股份有限公司) ("Haote Precision"), a company listed in the PRC, which carries at fair value of approximately RMB1,230,000 (2024: RMB1,230,000). Fair value gain on financial asset at FVTPL of approximately RMBNil (2024: RMB21,000) has been recognised during the year ended 31 December 2025.

(b) As at 31 December 2025, the fair value of unlisted equity interests in Hong Kong and the United States, represented Juline (China) Energy Tech. Group Co., Ltd ("Juline (China)") and Aquion Energy LLC ("Aquion Energy"), which carries at fair value of approximately RMB7,494,000 (2024: RMB5,300,000). Fair value gain on financial assets at FVTOCI of approximately RMB2,194,000 (2024: fair value loss RMB4,328,000) has been recognised during the year ended 31 December 2025.

The directors of the Company have elected to designate these investments to be measured at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

* English name is for identification purpose only

22. INVENTORIES

	2025 **RMB'000**	2024 RMB'000
Raw materials	**9,019**	7,192
Work-in-progress	**8,208**	6,133
Finished goods	**176,343**	129,757
	193,570	143,082

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For the year ended 31 December 2025

23. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**379,803**	483,878
Less: Allowance for impairment loss	**(61,566)**	(103,465)
	318,237	380,413
Bills receivables	**398**	–
	318,635	380,413

At 31 December 2025, the carrying amount of trade receivables which have been pledged as security for the bank and other borrowing, is approximately RMB110,438,000 (2024: RMB30,000,000). Details of bank and other borrowings are set out in note 30.

At as 31 December 2025, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB379,803,000 (2024: RMB483,878,000).

Bills receivables are aged within 90 days, while the following is an ageing analysis of trade receivables net of allowance for impairment loss of trade receivables presented based on the dates of delivery of goods, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2025 RMB'000	2024 RMB'000
0 - 90 days	**219,866**	215,345
91 - 180 days	**35,078**	38,094
181 - 365 days	**32,762**	88,850
After 1 year but within 2 years	**21,738**	26,216
After 2 years but within 3 years	**8,793**	11,908
	318,237	380,413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. TRADE RECEIVABLES (Continued)

The Group allows an average credit period of 90 days (2024: 90 days) to its trade customers. The Group requested certain customers for initial payments upon signing of sales contracts, while remaining payments are fallen due after installation and testing. Retention money will be fallen due from the end of the product quality assurance period. For the trade receivables from the state-owned enterprises, they normally settle their outstanding balances upon the completion of their constructions in accordance with the industry practice in the PRC.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL, while credit risk on bills receivable are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during both years.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the group's different customer bases.

For certain trade receivables of nil (2024: RMB40,222,000) for which the counterparty failed to make demanded repayments, the Group has made 100% provision. For the year ended 31 December 2025, written off of RMB 40,222,000 (2024: nil) were provided since debts were uncollectable. The Group recognised lifetime ECL for trade receivables based on provision matrix as follows:

As at 31 December 2025	Weighted average expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	**2.20%**	**209,043**	**4,649**
Less than 3 month past due	**3.90%**	**16,100**	**627**
More than 3 months but less than 6 months past due	**4.90%**	**36,871**	**1,793**
More than 6 months but less than 12 months past due	**5.90%**	**34,818**	**2,056**
More than 12 months but less than 24 months past due	**18.10%**	**26,535**	**4,797**
More than 24 months but less than 36 months past due	**40.20%**	**14,691**	**5,899**
More than 36 months past due	**100.00%**	**41,745**	**41,745**
		379,803	**61,566**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. TRADE RECEIVABLES (Continued)

As at 31 December 2024	Weighted average expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	2.20%	220,711	4,862
Less than 3 month past due	3.72%	39,946	1,487
More than 3 months but less than 6 months past due	4.72%	60,406	2,852
More than 6 months but less than 12 months past due	5.68%	34,145	1,939
More than 12 months but less than 24 months past due	19.71%	30,737	6,058
More than 24 months but less than 36 months past due	40.91%	19,742	8,076
More than 36 months past due	100.00%	37,969	37,969
Default receivable	100.00%	40,222	40,222
		483,878	103,465

The movement in the allowance for impairment loss of trade receivables is set out below:

	2025 RMB'000	2024 RMB'000
1 January	**103,465**	88,160
Allowance for impairment loss	**–**	20,339
Reversal of impairment loss	**(1,677)**	–
Written-off	**(40,222)**	–
Amounts recovered during the year	**–**	(5,034)
31 December	**61,566**	103,465

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. CONTRACT ASSETS/CONTRACT LIABILITIES

(i) Contract assets

	2025	2024
	RMB'000	RMB'000
Retention receivables	**34,590**	41,960
Less: allowance for impairment loss	**(6,172)**	(7,160)
	28,418	34,800

As at 1 January 2024, gross amount of contract assets amounted to RMB47,230,000.

Retentions receivable, prior to expiration of retention period, are classified as contract assets, which usually ranges from one to two years from the date of the completion of the project. The relevant amount of contract assets is reclassified to trade receivable when the retention period expires. The retention period serves as an assurance that the electric products sold comply with agreed upon specifications and such assurance cannot be purchased separately.

At 31 December 2025, contract assets of approximately RMB3,936,000 (2024: RMB5,462,000) are expected to be recovered after one year from the end of reporting period.

The Group recognised lifetime ECL for contract assets with gross carrying amount of approximately RMB34,590,000 (2024: RMB41,960,000) as at 31 December 2025 collectively by applying expected credit loss rates ranging from 2.3% to 40.2% (2024: from 2.1% to 30.4%). Loss allowance of approximately RMB6,172,000 (2024: RMB7,160,000) is made as at 31 December 2025.

There has been no change in the estimation techniques or significant assumptions made during both years.

The movements in the impairment allowance for the contract assets during the year are as follows:

	Lifetime ECL
	RMB'000
At 1 January 2024	4,794
Allowance for impairment loss	2,366
At 31 December 2024 and 1 January 2025	7,160
Reversal for impairment loss	(988)
At 31 December 2025	6,172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

(ii) Contract liabilities

	2025	2024
	RMB'000	RMB'000
Receipt in advance from customers	**60,234**	63,858

As at 1 January 2024, contract liabilities amounted to approximately RMB62,906,000.

Contract liabilities include advances received to deliver electric products.

The Group receives range from 5% to 10% (2024: 5% to 10%) of the contract values as initial payments from certain customers when they sign the contracts for sales of electric products. The receipt in advance results in contract liabilities being recognised until the customers obtain control of the electric products.

Revenue recognised during the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the year is approximately RMB63,858,000 (2024: RMB62,906,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025	2024
	RMB'000	RMB'000
Other receivables	**36,126**	13,566
Less: allowance for impairment loss	**(4,785)**	(7,902)
	31,341	5,664
Deposits	**16,690**	16,234
Other tax recoverable	**1,939**	1,458
Prepayments to suppliers	**22,744**	22,494
	72,714	45,850

The movement in the allowance for impairment loss of other receivables is set out below:

	2025	2024
	RMB'000	RMB'000
1 January	**7,902**	7,902
Allowance for impairment loss	**4,785**	–
Written-off	**(7,902)**	–
31 December	**4,785**	7,902

The Group measures the loss allowance for the deposits and other receivables at an amount equal to 12-month ECL and impairment loss of RMB4,785,000 was recognised during the years ended 31 December 2025 (2024: RMB Nil). For the year ended 31 December 2025, written off of RMB 7,902,000 (2024: nil) were provided since debts were uncollectable.

There has been no change in the estimation techniques or significant assumptions made during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

26. AMOUNTS DUE FROM ASSOCIATES

The amounts due from associates are unsecured, interest-free and trading in nature.

The following is an ageing analysis of amounts due from associates presented based on the dates of delivery of goods, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0 - 90 days	**165**	502
181 - 365 days	**347**	131
	512	633

The Group allows an average credit period of 90 days (2024: 90 days) to its associates for balances which are trading in nature.

The Group measures the loss allowance for amounts due from associates at an amount equal to lifetime ECL under simplified approach. The management considered that the amounts due from associates to be low credit risk and no recent history of default, and thus no impairment losses are recognised during the years ended 31 December 2025 and 2024. There has been no change in the estimation techniques or significant assumptions made during both years.

27. RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

Restricted bank balances represented deposits required and restricted by banks in respect of the issue of letter of credit to certain suppliers of approximately RMB21,883,000 (2024: RMB56,874,000) and therefore are classified as current assets. As at 31 December 2025, the restricted bank balances carried interest at an average market rate of 0.35% (2024: 0.25%) per annum and will be released upon the completion of the respective transactions.

Bank balances carried interest at market rates ranged from 0.001% to 0.35% (2024: 0.001% to 0.35%) per annum as at 31 December 2025.

At 31 December 2025, bank balances and cash of approximately RMB Nil (2024: RMB17,000) and RMB671,000 (2024: RMB4,284,000) were denominated in US$ and HK$ respectively that are currencies other than the functional currencies of the respective group entities.

Details of impairment assessment of restricted bank balances and bank balances are set out in note 36(b).

28. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025	2024
	RMB'000	RMB'000
Trade and bills payables		
Trade payables	**99,294**	106,527
Bills payables *(note)*	**66,700**	49,238
	165,994	155,765
Accruals and other payables:		
Accruals	**6,780**	7,539
Other payables	**990**	922
	7,770	8,461

Note: The amounts relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

The following is an ageing analysis of trade and bills payables based on the invoice date of goods purchased at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0 - 90 days	**69,837**	121,242
91 - 180 days	**40,937**	21,368
181 - 365 days	**41,551**	4,800
After 1 year but within 2 years	**10,934**	7,953
After 2 years but within 3 years	**2,735**	402
	165,994	155,765

The average credit period on purchases of goods is 90 days (2024: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

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29. AMOUNTS DUE TO ASSOCIATES

The amounts due to associates are unsecured, interest-free and repayable on demand.

30. BANK AND OTHER BORROWINGS

	2025	2024
	RMB'000	RMB'000
Bank borrowings, secured *(Note (i))*	**242,579**	204,768
Other borrowings, secured *(Note (ii))*	**7,084**	5,000
	249,663	209,768
Bank borrowings, unsecured	**5,739**	–
	255,402	209,768
Carrying amounts repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	**154,223**	155,800
After one year but within two years	**21,500**	37,301
After two years but within five years	**51,944**	16,667
After five years	**27,735**	–
	255,402	209,768
Amounts shown under current liabilities	**153,223**	155,800
Amounts shown under non-current liabilities	**102,179**	53,968
	255,402	209,768

Notes:

(i) As at 31 December 2025, secured bank borrowings of approximately RMB242,579,000 (2024: RMB204,768,000) of the Group were secured by its ownership interests in lands and buildings, right-of-use assets, certain trade receivables with carrying values of approximately RMB116,526,000, RMB6,115,000 and RMB110,438,000 (2024: approximately RMB122,900,000, RMB6,427,000 and RM25,000,000) respectively.

As at 31 December 2025, secured bank borrowings of approximately RMB242,579,000 (2024: RMB204,768,000) were guaranteed by the Company and certain directors of the Company with guaranteed amount of RMB329,000,000 (2024: RMB298,000,000).

(ii) As at 31 December 2025, other borrowings of approximately RMB7,084,000 (2024: RMB5,000,000) was secured by certain trade receivables with carrying values of approximately 2025: RMB7,084,000 (2024:RMB5,000,000).

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For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

The exposure of the Group's bank and other borrowings to fixed rate and variable rate changes are as follows:

	2025 **RMB'000**	2024 RMB'000
Fixed rate bank borrowings		
expiring within one year	**141,139**	125,500
expiring beyond one year	**57,444**	–
Fixed rate other borrowings		
expiring within one year	**7,084**	5,000
Variable-rate bank borrowings		
expiring within one year	**5,000**	25,300
expiring beyond one year	**44,735**	53,968
	255,402	209,768

During the year ended 31 December 2025, the Group obtained new bank borrowings and other borrowings in the amount of approximately RMB203,054,000 (2024: RMB190,292,000) and repaid approximately RMB248,688,000 (2024: RMB137,073,000) respectively. The proceeds were used to finance the operation of the Group.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2025	2024
Fixed-rate other borrowings	**4.1% to 6.9%**	4.5% to 7.92%
Fixed-rate bank borrowings	**2.9% to 5.5%**	4.3% to 4.5%

	Loan Prime Rate ("LPR") with increment by	LPR with increment by
Variable-rate bank borrowings	**0.50%**	0.55%

As at 31 December 2025, the Group has available un-utilised short-term bank fixed rate loan facilities of approximately RMB104,483,000 (2024: RMB184,768,000).

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For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS (Continued)

Loan covenants

As at 31 December 2025, the Group's bank and other borrowings with carrying amount of approximately RMB46,818,000 (2024: RMB8,867,000) are subject to the fulfillment of covenants relating to certain of the Group's financial ratios. The Group regularly monitors its compliance with these covenants. As at 31 December 2025 and 2024, none of the covenants relating to drawn down facilities had been breached.

	Carrying amounts			
Borrowings	**2025 RMB'000**	2024 RMB'000	**Details of covenants**	**Timing to comply with the covenants**
Bank borrowing A				
– Amounts under non-current liabilities	**2,083**	1,667	Debt-to-equity ratio shall not be higher than 85%	On the 15th of every month
Bank borrowing B				
– Amounts under current liabilities	**–**	7,200	Debt-to-equity ratio shall not be higher than 45%	Annually in December
Bank borrowing C				
– Amounts under non-current liabilities	**44,735**	–	Debt-to-equity ratio shall not be higher than 80%	Through the period
Total	**46,818**	8,867		

As at 31 December 2025, none of the covenants relating to drawn down facilities had been breached (2024: nil).

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31. LEASE LIABILITIES

Amount recognised in the consolidated statement of financial position

Lease liabilities payable:

	2025	2024
	RMB'000	RMB'000
Within one year	**–**	1,963
After one year but not within two years	**–**	–
	–	1,963
Less: Amount due for settlement with 12 months shown under current liabilities	**–**	(1,963)
Amount due for settlement after 12 months shown under non-current liabilities	**–**	–

Details of lease arrangement are set out in note 17.

32. DEFERRED TAXATION

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

	2025	2024
	RMB'000	RMB'000
Deferred tax assets	**14,003**	22,375
Deferred tax liabilities	**(10,479)**	(11,315)
	3,524	11,060

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32. DEFERRED TAXATION (Continued)

The followings are the major deferred tax assets (liabilities) recognised and movement thereon during the current and prior years:

	Allowance for impairment loss of trade receivables, contract assets, deposits and other receivables	Revaluation of listed and unlisted investments in equity securities	Withholding tax arising on undistributed profits of subsidiaries	Lease liabilities	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	12,366	4,130	(12,281)	961	(753)	4,423
Credited (charged) to profit or loss *(note 10)*	5,217	(7)	966	(489)	375	6,062
Debited to investment revaluation reserve	–	575	–	–	–	575
At 31 December 2024 and 1 January 2025	17,583	4,698	(11,315)	472	(378)	11,060
Credited (charged) to profit or loss *(note 10)*	(7,825)	–	836	(472)	378	(7,083)
Credited to investment revaluation reserve	–	(453)	–	–	–	(453)
At 31 December 2025	9,758	4,245	(10,479)	–	–	3,524

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has been provided for in the consolidated financial statements in respect of temporary taxable difference attributable to undistributed profits of the PRC subsidiaries amounting to approximately RMB209,547,000 (2024: RMB226,276,000) as the Group considered the temporary differences will be reversed in the foreseeable future upon declaration of dividends of subsidiaries.

At 31 December 2025, The Group had unused tax losses of approximately RMB112,810,000 (2024: RMB100,447,000), available for offsetting against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The aforesaid tax losses of approximately RMB112,810,000 (2024: RMB100,447,000) will expire five years from the year of origination. As at 31 December 2025, tax losses of approximately RMB13,402,000, RMB39,566,000, RMB37,211,000 and RMB22,631,000 will expire in 2026, 2027, 2028 and 2029 respectively (2024: RMB6,774,000, RMB15,768,000, RMB40,252,000 and RMB37,653,000 will expire in 2025, 2026, 2027 and 2028 respectively).

At 31 December 2025, the Group had temporary differences of approximately RMB72,524,000 (2024: RMB170,949,000) in respect of allowance for impairment of trade receivables, contract assets, deposits and other receivables and loan receivables. Deferred tax asset of approximately RMB9,758,000 (2024: RMB17,583,000) had been recognised on temporary differences of approximately RMB65,063,000 (2024: RMB117,220,000). No deferred tax asset has been recognised on the remaining deductible temporary differences of approximately RMB7,461,000 (2024: RMB53,729,000) due to the unpredictability of future profit streams will be available against which the deductible temporary differences can be utilised.

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33. SERVICE CONCESSION ARRANGEMENTS

The Group has entered into service concession arrangements with governmental authorities in the PRC on a BOT basis in respect of its charging services. Pursuant to the service concession arrangements, the Group has to design, construct, operate and manage charging equipments in the PRC over the service concession periods. The Group is generally entitled to use the charging equipments, however, the Group has the obligation to maintain the charging equipments in good condition and the charging equipments will be transferred to the governmental authorities without consideration upon expiry of the concession periods. The service concession arrangements do not contain renewal options. The BOT agreements do not grant any termination rights to any of the contracting parties.

During the year ended 31 December 2025, the Group renewed one of the service concession arrangements for another 6 months from November 2025 to May 2026 with minimal cost. During the year ended 31 December 2024, the Group renewed one of the service concession arrangements for another 5 years from July 2024 to August 2029 with minimal cost.

As at 31 December 2025, the Group had 4 (2024: 4) service concession arrangements on charging equipments with governmental authorities in the PRC and a summary of the major terms of the principal service concession arrangements, is set out as follows:

Name of company as operator	Location	Name of grantor	Type of service concession arrangement	Designed processing capacity	Service concession period
Zhuhai Yilian New Energy Motor Company Ltd.* ("Zhuhai Yilian") 珠海驛聯新能源汽車有限公司	Baoding	Baoding Public Transport Corporation	BOT on charging equipments for electric vehicles	Provide charging services at RMB0.5kWh	10 years from October 2016 to September 2026
	Foshan	Foshan Chancheng District Public Transportation Management Company Limited* 佛山市禪城區公共交通管理有限公司	BOT on charging equipments for electric vehicles	Provide charging services at RMB0.6kWh	6 months from November 2025 to May 2026 (2024: 8 years from December 2017 to November 2025)
	Foshan	Foshan Chancheng District Public Transportation Management Company Limited* 佛山市禪城區公共交通管理有限公司	BOT on charging equipments for electric vehicles	Provide charging services at RMB0.6kWh	8 years from December 2019 to November 2027
Shaoguan Yilian New Energy Vehicle Operation Service Co., Ltd.* ("Shaoguan Yilian") 韶關市驛聯新能源汽車運營服務有限公司	Shaoguan	Shaoguan Public Transportation Company Limited* 韶關市公共汽車有限公司	BOT on charging equipments for electric vehicles	Provide charging services 110 electric vehicles of the grantor with average distance of 5,000km per month	5 years from July 2024 to August 2029

* English name is for identification purpose only

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For the year ended 31 December 2025

34. SHARE CAPITAL

	Number of shares	Share capital
		RMB'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	10,000,000,000	100,000

		RMB'000
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 1 January 2025 and 31 December 2025	1,492,026,000	13,093

35. CAPITAL RISK 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. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes bank and other borrowings disclosed in note 30, net of restricted bank balances, bank balances and cash disclosed in note 27 and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through new share issues, the issue of new debt or the redemption of existing debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortised cost	**556,787**	593,679
Financial assets at FVTOCI	**7,494**	5,300
Financial asset at FVTPL	**1,230**	1,230
	565,511	600,209
Financial liabilities		
Financial liabilities at amortised cost	**429,621**	374,449

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTOCI, financial asset at FVTPL, trade and bills receivables, deposits and other receivables, amounts due from associates, restricted bank balances, bank balances and cash, trade and bills payables, accruals and other payables, amounts due to associates and bank and other borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group mainly operates in the PRC. All the Group's sales and purchases are denominated in RMB and the Group entities are mainly exposed to the fluctuation to HK$ and US$.

Certain financial assets at FVTOCI and certain bank balances and cash are denominated in HK$ and US$, which expose the Group to foreign currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(i) *Currency risk* (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

	2025 **RMB'000**	2024 RMB'000
HK$	**671**	4,284
US$	**3,233**	527

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis

The Group is mainly exposed to US$ and HK$.

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates.

A positive (negative) number below indicates a decrease (an increase) in post-tax loss where RMB strengthen 5% (2024: 5%) against the relevant currency. For a 5% (2024: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit or loss.

	2025 **RMB'000**	2024 RMB'000
Effect on post-tax loss		
HK$	**(28)**	(179)
US$	**(135)**	(22)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

(ii) Interest rate risk

As at 31 December 2025 and 2024, the Group is exposed to fair value interest rate risk in relation to certain fixed-rate bank and other borrowings disclosed in note 30.

As at 31 December 2025 and 2024, the Group is exposed to cash flow interest rate risk in relation to bank balances and restricted bank balances disclosed in note 27 and certain variable-rate bank borrowings disclosed in note 30. It is the Group's policy to keep its borrowings at floating rate of interest 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 the LPR stipulated by the People's Bank of China arising from the Group's RMB denominated bank borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable rate bank borrowings and bank balances. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 (2024: 50) basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 (2024: 50) basis points higher or lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 December 2025 would increase/decrease by approximately RMB591,000 (2024: RMB542,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 December 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Before accepting any new customer, the Group assesses the credit quality of the potential customers with reference to their financial strength and determines the credit terms and limits for them. The Group also regularly monitored the credit quality of the existing customers by established credit policies and procedures. The Group will adjust the credit limit to the existing customers with reference to the past repayment history and external credit source on the customers' financial strength.

For trade receivables, contract assets and amount due from associates, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL collectively by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

For other non-traded related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL.

For bill receivable, the credit risks are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk (Continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk by geographical locations is in the PRC, which accounted for all of the trade receivables and contract assets as at 31 December 2025 and 2024.

The Group has concentration of credit risk as 5% and 22% (2024: 7% and 11%) of the total trade receivables before allowance for impairment loss of trade receivables was due from the Group's largest customer and top five customers respectively within the DC Power System and Charging Equipment segments as at 31 December 2025.

The Group has concentration of credit risk as 6% and 20% (2024: 6% and 11%) of the total contract assets before allowance for impairment loss of contract assets was due from the Group's largest customer and top five customers respectively within the DC Power System and Charging Equipment segments as at 31 December 2025.

Liquidity risk

In the management of the liquidity risk, the Group 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 management of the Group monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The maturity analysis for non-derivative financial liabilities is based on the scheduled repayment dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

Liquidity table

	Within 1 year RMB'000	More than 1 year and within 2 years RMB'000	More than 2 years and within 5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying Amount RMB'000
At 31 December 2025						
Non-derivative financial liabilities:						
Trade and bills payables	**165,994**	**–**	**–**	**–**	**165,994**	**165,994**
Accruals and other payables	**7,770**	**–**	**–**	**–**	**7,770**	**7,770**
Amounts due to associates	**455**	**–**	**–**	**–**	**455**	**455**
Bank borrowings						
– fixed rate	**147,970**	**22,085**	**40,716**	**–**	**210,771**	**198,583**
– variable rate	**7,612**	**2,574**	**19,075**	**30,219**	**59,480**	**49,735**
Other borrowing						
– fixed rate	**7,514**	**–**	**–**	**–**	**7,514**	**7,084**
	337,315	**24,659**	**59,791**	**30,219**	**451,984**	**429,621**

	Within 1 year or on demand RMB'000	More than 1 year and within 2 years RMB'000	More than 2 years and within 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying Amount RMB'000
At 31 December 2024					
Non-derivative financial liabilities:					
Trade and bills payables	155,765	–	–	155,765	155,765
Accruals and other payables	8,461	–	–	8,461	8,461
Amounts due to associates	455	–	–	455	455
Bank borrowings					
– fixed rate	128,455	–	–	128,455	125,500
– variable rate	28,301	38,500	16,859	83,660	79,268
Other borrowing					
– fixed rate	5,085	–	–	5,085	5,000
Lease liabilities	2,787	–	–	2,787	1,963
	329,309	38,500	16,859	384,668	376,412

The amounts included above for variable interest rate bank borrowings are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial assets that are measured at fair value on a recurring basis

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring measurement, grouped into Level 1 to 3 based on degree to which the fair value is observable in accordance to the Group's accounting policy.

	31 December	
	2025	2024
	Level 3	Level 3
	RMB'000	RMB'000
Financial assets at FVTPL		
Listed equity security	**1,230**	1,230
Financial assets at FVTOCI		
Unlisted equity securities	**7,494**	5,300

There were no transfers of fair value measurements between level 1 and 2 of fair value hierarchy and no transfers into or out of level 3 for financial assets in the current and prior year.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial assets that are measured at fair value on a recurring basis (Continued)

The valuation techniques and inputs used in the fair value measurements of each financial instrument on a recurring basis are set out below:

Financial instruments	Fair value as at 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of key inputs and significant unobservable inputs to fair value
Listed equity security at FVTPL *(Note)*	**1,230**	1,230	Level 3	Market approach - by applying market multiples from comparable companies adjusted by marketability discount	(i) Enterprise value ("EV")-to-earnings before interest, taxation, depreciation and amortisation ("EBITDA") ratio of 13.6; and (ii) Marketability discount of 20.4%	(i) The higher the EV-to-EBITDA ratio, the higher the fair value (ii) The higher of marketability discount, the lower the fair value
Unlisted equity securities at FVTOCI	**7,494**	5,300	Level 3	Market approach – by applying market multiples from comparable companies adjusted by marketability discount	(i) Price-to-book ratio ranges from 0.32 to 0.43 (2024: 0.35 to 0.45); and (ii) Marketability discount of 36.0% – 42.0% (2024: 20.4%)	(i) The higher the price-to-book ratio, the higher the fair value. (ii) The higher of marketability discount, the lower the fair value.

Note: The listed security do not have active market transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial assets that are measured at fair value on a recurring basis (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to unobservable inputs at the end of the reporting period. For sensitivity analysis purpose, the sensitivity rate is increased to 10% (2024: 10%) in current year as a result of the volatile financial market.

For the year ended 31 December 2024, if the unobservable inputs of the listed equity instrument had been 10% higher/lower, loss for the year would decrease/increase by approximately RMB92,000 while total equity would increase/decrease by approximately RMB92,000 as a result of the changes in fair value of financial assets at FVTPL.

For the year ended 31 December 2025, if the unobservable inputs of the respective unlisted equity instrument had been 10% (2024: 10%) higher/lower, investment revaluation reserve would decrease/increase by approximately RMB310,000 (2024: RMB443,000) while total equity would increase/decrease by approximately RMB310,000 (2024: RMB443,000) as a result of the changes in fair value of financial assets at FVTOCI.

Reconciliation of Level 3 fair value measurements of financial assets on recurring basis are as follows:

	Listed equity security RMB'000	**Unlisted equity securities** RMB'000
At 1 January 2024	1,209	9,628
Changes in fair value through profit or loss	21	–
Changes in fair value through other comprehensive income	–	(4,328)
At 31 December 2024 and 1 January 2025	1,230	5,300
Changes in fair value through profit or loss	–	–
Changes in fair value through other comprehensive income	–	2,194
At 31 December 2025	1,230	7,494

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For the year ended 31 December 2025

37. 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 consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings RMB'000	**Amounts due to associates** RMB'000	**Lease liabilities** RMB'000	**Total** RMB'000
As at 1 January 2024	156,549	555	3,847	160,951
Financing cash (outflows) inflows	44,707	(100)	(1,970)	51,149
Interest charge	8,512	–	86	86
As at 31 December 2024	209,768	455	1,963	212,186
Financing cash inflows (outflows)	35,721	–	(1,970)	33,751
Interest charge	9,913	–	7	9,920
As at 31 December 2025	255,402	455	–	255,857

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

38. ACQUISITION OF A SUBSIDIARY

On 30 June 2025, the Group entered into a sale and purchase agreement with an independent third party and paid a consideration of RMB651,000 to acquire a total of 51% shareholding of 泰坦(吉林)電力勘察設計咨詢有限公司 at a cash consideration of RMB651,000. The principal activity of this entity was engaged in provision of charging services and distribution of electronic and electrical equipment.

The fair value of assets acquired and liabilities recognised at the dates of acquisition were as follows:

	RMB'000
Bank balances and cash	64
Inventories	1,483
Other current assets	93
Trade and bills payables	(13)
Accruals and other payables	(350)
Total fair value of identifiable net assets acquired	1,277
Less: non-controlling interest	(626)
Net assets acquired	651
Cash consideration paid	651
Less: net assets acquired	(651)
Goodwill arising from acquisition	–

There is no goodwill arose in the acquisition of 泰坦(吉林)電力勘察設計咨詢有限公司.

During the year ended 31 December 2025, 泰坦(吉林)電力勘察設計咨詢有限公司 contributed RMB7,612,000 and RMB246,000 to the Group's revenue and results, respectively.

Net cash outflow on acquisition of 泰坦(吉林)電力勘察設計咨詢有限公司:

	RMB'000
Net cash outflow arising on acquisition:	
Consideration paid in cash	651
Less: Bank balances and cash acquired	(64)
Net cash outflow	587

Had the acquisition been completed on 1 January 2025, the Group's revenue for the year ended 31 December 2025 would have been RMB410,801,000, and loss for the year ended 31 December 2025 would have been RMB33,107,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

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For the year ended 31 December 2025

39. DISPOSAL OF A SUBSIDIARY IN PRIOR YEAR

On 16 May 2024, the Group entered into a sale and purchase agreement with an independent third party, pursuant to which the Group agreed to sell its entire equity interest in its wholly-owned subsidiary, Zhuhai Libo New Energy Technology Co., Ltd. ("Zhuhai Libo") * (珠海市利鉑新能源科技有限公司) at a cash consideration of RMB30,100,000. Its principal activity was property holding and it held industrial buildings in the PRC. The Group lost its control over Zhuhai Libo, and Zhuhai Libo ceased to be the subsidiary of the Group after the completion of abovementioned disposal on 9 July 2024. The net assets of the Zhuhai Libo at the date of disposal and the impact on the cash flows in the current year were as follows:

	9 July 2024
Analysis of assets and liabilities over which control was lost:	RMB'000
Property, plant and equipment, at carrying amount	1,456
Other receivables and prepayments	66
Bank balances and cash	54
Other payables and accruals	(2)
Net assets disposed of	1,574
Gain on disposal of a subsidiary:	
Consideration received	30,100
Net assets disposed of	(1,574)
Gain on disposal	28,526
Net cash inflow arising on disposal:	
Cash consideration	30,100
Less: bank balances and cash disposed of	(54)
	30,046

Details are set out in the announcement of the Company dated 16 May 2024.

40. CAPITAL COMMITMENTS

	2025	2024
	RMB'000	RMB'000
Capital expenditures contracted for but not provided in the consolidated financial statements in respect of:		
– Establishment of associates	**5,250**	5,250

41. RETIREMENT BENEFITS SCHEMES

The employees of the PRC subsidiaries are members of the state-managed retirement benefits schemes (the "Schemes") operated by the PRC government. The PRC subsidiaries are required to contribute certain amount of payroll costs to the Schemes to fund the benefits. The only obligation of the Group with respect to the Schemes is to make the required contributions under the Schemes.

The amount of contributions made by the Group in respect of the Schemes during the years ended 31 December 2025 and 2024 are set in notes 11 and 12 respectively.

42. SHARE OPTIONS SCHEME

Share Option Scheme adopted on 18 December 2020 (the "New Share Option Scheme")

Pursuant to a written resolution passed by the shareholders of the Company on 18 December 2020, the Company has adopted a new Share Option Scheme (the "New Share Option Scheme") for a period of 10 years commencing on 18 December 2020, the Board of the Company may, at its discretion, grant share options to any individual being an employee, executive or officer or director (including executive, non-executive and independent non-executive director) of the Company or any of the subsidiaries and any supplier, customer, consultant, agent and adviser who, in the sole opinion of the Board, will contribute or have contributed to the Group, at a consideration of HK$1 on acceptance of the option offer. The subscription of shares in the Company is subject to the terms and conditions as stipulated in the New Share Option Scheme.

The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme must not exceed 30% of the number of the issued shares from time to time.

At 31 December 2025, there was no outstanding shares in respect of granted options (2024: options had been granted and remained outstanding under the Scheme was 26,950,000 shares), representing Nil (2024: 2.6%) of the shares of the Company in issue at that date. Before the end of the Scheme, the total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

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42. SHARE OPTIONS SCHEME (Continued)

Share Option Scheme adopted on 18 December 2020 (the "New Share Option Scheme") (Continued)

Consideration of HK$1 is payable on the grant of an option. Options may be exercised at any time from 1 June 2022 to 31 December 2025. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Details of specific categories of share options are as follows:

Date of grant	Vesting	Exercise period	Exercise price
15 July 2022	31 December 2022	15 July 2023 to 14 July 2024	HK$0.343
	31 December 2023	15 July 2024 to 14 July 2025	HK$0.343
23 July 2021	31 December 2021	1 June 2022 to 31 December 2023	HK$0.445
	31 December 2022	1 June 2023 to 31 December 2024	HK$0.445
	31 December 2023	1 June 2024 to 31 December 2025	HK$0.445

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

Grantees	Outstanding at 1/1/2025	Forfeited during the year	Outstanding at 31/12/2025
Employees	26,550,000	(26,550,000)	–
Directors	400,000	(400,000)	–
Total	26,950,000	(26,950,000)	–
Exercisable at the end of the year	26,950,000	(26,950,000)	–
Weighted average exercise price	HK$0.390	HK$0.390	Nil

42. SHARE OPTIONS SCHEME (Continued)

Share Option Scheme adopted on 18 December 2020 (the "New Share Option Scheme") (Continued)

Grantees	Outstanding at 1/1/2024	Forfeited during the year	Outstanding at 31/12/2024
Employees	53,240,000	(26,690,000)	26,550,000
Directors	800,000	(400,000)	400,000
Total	54,040,000	(27,090,000)	26,950,000
Exercisable at the end of the year		–	26,950,000
Weighted average exercise price	HK$0.388	HK$0.388	HK$0.390

On 23 July 2021, the Group granted 37,980,000 share options to certain employees and directors of the Group under New Share Option Scheme. The estimated fair values of the options granted ranging from HK$0.1069 to HK$0.1571.

On 15 July 2022, the Group granted 30,200,000 share options to certain employees of the Group under New Share Option Scheme. The estimated fair values of the options granted ranging from HK$0.06 to HK$0.08.

None of expenses was recognised related to share options scheme and no share options were granted by the Company during the years ended 31 December 2025 and 2024. No share options were exercised for the years ended 31 December 2025 and 2024.

During the year ended 31 December 2025, 26,950,000 (2024: 27,090,000) share options were forfeited after the vesting date.

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For the year ended 31 December 2025

43. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, during the year, the Group had the following material transactions with related parties:

(a) During the year, the Group entered into the following transactions with related parties:

(i) Sales of charging equipment for electric vehicles to the associates, of approximately RMB461,000 (2024: RMB1,682,000) for the year ended 31 December 2025, on terms mutually agreed with the parties, which were reference to prevailing market prices under the sales agreement.

(b) Compensation to key management personnel

The remuneration of directors of the Company during the year was as follows:

	2025	2024
	RMB'000	RMB'000
Short-term benefits	**1,699**	1,889

The remuneration of directors of the Company is determined by the Board of the Company having regard to the performance of individuals and market trends.

Details of the remuneration of directors of the Company are set out in note 12.

(c) Guarantees from directors of the Company

Certain banking facilities (2024: bank facilities and other borrowings) of the Group were guaranteed by Mr. Li Xin Qing and Mr. An Wei (2024: Mr. Li Xin Qing and Mr. An Wei), directors of the Company:

	2025	2024
	RMB'000	RMB'000
To the extent of	**329,000**	298,000

Details of the bank and other borrowings of the Group are set out in note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**2025** **RMB'000**	2024 RMB'000
Non-current asset			
Investment in a subsidiary		**1**	1
Current assets			
Amounts due from subsidiaries	*(a)*	**438,440**	442,311
Bank balances and cash		**286**	291
		438,726	442,602
Current liability			
Accruals and other payables		**211**	211
Net current assets		**438,515**	442,391
		438,516	442,392
Capital and reserves			
Share capital		**13,093**	13,093
Reserves	*(b)*	**425,423**	429,299
		438,516	442,392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

44. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(a) The amounts are unsecured, non-interesting bearing and repayable on demand.

(b) Reserves

	Share premium RMB'000	**Share option reserve** RMB'000	**Accumulated losses** RMB'000	**Total** RMB'000
At 1 January 2024	490,330	5,722	(64,028)	432,024
Forfeiture of share options	–	(2,485)	2,485	–
Loss and total comprehensive expense for the year	–	–	(2,725)	(2,725)
At 31 December 2024and 1 January 2025	490,330	3,237	(64,268)	429,299
Forfeiture of share options	–	(3,237)	3,237	–
Loss and total comprehensive expenses for the year	–	–	(3,876)	(3,876)
At 31 December 2025	490,330	–	(64,907)	425,423

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

45. PRINCIPAL SUBSIDIARIES OF THE COMPANY

At the end of both reporting periods, the Company has the following principal subsidiaries, all of which adopted same financial year end date of 31 December:

Name of subsidiary	Place of establishment and operation	Class of shares held	Issued and fully paid share capital		Percentage of equity interest and voting power attributable to the Company				Principal activities
			2025	2024	**2025 Direct**	**2025 Indirect**	2024 Direct	2024 Indirect	
Titans Power Electronics Group Co., Ltd.* *(note i)*	The PRC	Contributed	**RMB250,000,000**	RMB250,000,000	**–**	**100%**	–	100%	Research, development, manufacture and sales of wind and solar power generation balancing control products, charging equipment for electrical vehicles and power grid monitoring and management products
Zhuhai Titans New Energy Systems Co., Ltd.* 珠海泰坦新能源系統有限公司 *(note i)*	The PRC	Contributed	**RMB3,000,000**	RMB3,000,000	**–**	**100%**	–	100%	Research, development, manufacture and sales of electrical power generation balancing control and other products
Zhuhai Yilian *(note i)*	The PRC	Contributed	**RMB10,000,000**	RMB10,000,000	**–**	**100%**	–	100%	Sales and leases of electric vehicles and provision of charging services
Zhuhai Titans Technology Co., Ltd.* *(note i)*	The PRC	Contributed	**RMB200,000,000**	RMB200,000,000	**–**	**100%**	–	100%	Research, development, manufacture and sales of electrical direct current products
Shaoguan Yilian *(note i)*	The PRC	Contributed	**RMB10,000,000**	RMB10,000,000	**–**	**100%**	–	100%	Sales and leases of electric vehicles; and provision of charging services
Hebei Jidong Titans Technology Co., Ltd.* ("Hebei Jidong") 河北冀东泰坦科技有限公司 *(notes i and ii)*	The PRC	Contributed	**RMB10,000,000**	RMB10,000,000	**–**	**50%**	–	50%	Design, manufacture and sales of charging equipments for electric vehicles
Shandong Huidian Co., Ltd.* ("Shandong Huidian") *(notes i)*	The PRC	Contributed	**RMB33,333,000**	RMB33,333,000	**–**	**60%**	–	60%	Design, manufacture and sales of charging equipments
Hebei Titans New Energy Development Group Co., Ltd.* 河北泰坦新能源發展集團有限公司 *(notes i)*	The PRC	Contributed	**HKD260,000,000**	HKD260,000,000	**–**	**100%**	–	100%	Investment holding and provision of charging services
Tangshan Yilian New Energy Co., Ltd.* 唐山驛聯新能源科技有限公司 *(notes i)*	The PRC	Contributed	**RMB15,000,000**	RMB15,000,000	**–**	**100%**	–	100%	Provision of charging services
Titan (Jilin) Power Survey & Design Engineering Co., Ltd.* 泰坦(吉林)電力勘察設計咨詢工程有限公司 *(notes i)*	The PRC	Contributed	**RMB2,800,000**	–	**–**	**51%**	–	–	Provision of charging services and distribution of electronic and electrical equipment

Notes:

(i) These entities are domestic enterprises.

(ii) According to the memorandum of association, the Group has the ability to appoint three out of five directors to the board of directors of Hebei Jidong and holds the casting vote for the decision in the shareholders' meeting. This grants the Group the authority to control Hebei Jidong. As a result, Hebei Jidong has been accounted for as a subsidiary of the Group.

* English name is for identification purpose only

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For the year ended 31 December 2025

45. PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excess length.

At the end of the reporting period, the Group has other subsidiaries that are not individually material to the Group. The principal activities of these subsidiaries are sales of charging equipment of electric vehicles and investment holding. A summary of these subsidiaries are set out as follows:

		Number of subsidiaries	
Principal activity	**Principal place of business**	**2025**	2024
Sales of charging equipment for electric vehicles	– The PRC	**3**	3
Sales and leases of electric vehicles and provision of charging services	– The PRC	**1**	1
Investment holding	– Hong Kong	**2**	2
	– BVI	**1**	1
	– The PRC	**1**	1
Inactive	– The PRC	**13**	13
		21	21

None of the subsidiaries had issued any debt securities subsisting at the end of both years or at any time during both years.

The table below shows details of non-wholly owned subsidiary of the Group that has non-controlling interests that are material to the Group:

Name of subsidiary	Place of incorporation/ establishment and principal place of business	Proportion of equity interest and voting power held by non-controlling interests		Loss attributable to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	**2025**	2024	**2025**	2024
		%	%	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Shandong Huidian	The PRC	**40**	40	**(260)**	(365)	**5,243**	5,503

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45. PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

The summarised financial information in respect of a non-wholly owned subsidiary of the Group that has non-controlling interests that are material to the Group before intergroup eliminations:

Shandong Huidian

	2025	2024
	RMB'000	RMB'000
Non-current assets	**4,388**	4,661
Current assets	**9,040**	9,437
Current liabilities	**(320)**	(340)
Equity attributable to owners of the Company	**7,865**	8,255
Non-controlling interests	**5,243**	5,503

	2025	2024
	RMB'000	RMB'000
Revenue	**54**	6
Expenses	**(704)**	(919)
Loss and total comprehensive expense for the year	**(650)**	(913)
Loss attributable to owners of the Company	**(390)**	(548)
Loss attributable to non-controlling interests	**(260)**	(365)
Loss for the year	**(650)**	(913)
Net cash outflows from operating activities	**(408)**	(505)
Net cash inflows from investing activities	**–**	5
Net cash outflows	**(408)**	(500)