The following is the text of a report set out on pages I-1 to I-[●], received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GUANGDONG HUACHENG ELECTRIC POWER ENERGY CO., LTD. AND LEGO CORPORATE FINANCE LIMITED

Introduction

We report on the historical financial information of Guangdong Huacheng Electric Power Energy Co., Ltd. (廣東華成電力能源股份有限公司) (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[3] to I-[●] which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[3] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the "**Document**") in connection with the **[REDACTED]** of the H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at 31 December 2023, 2024 and 2025, of the Company's financial position as at 31 December 2023, 2024 and 2025 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[●] 2026

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "**IASB**") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2023	**2024**	**2025**
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	*6*	341,093	322,218	407,442
Cost of sales		(279,150)	(229,291)	(299,327)
Gross profit		61,943	92,927	108,115
Other income	*7*	2,145	1,435	255
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	*10*	(2,142)	(9,139)	(20,686)
Other gains and losses	*8*	(181)	26	189
Research and development expenses		(16,100)	(17,451)	(15,451)
Selling expenses		(8,028)	(7,652)	(5,047)
Administrative expenses		(15,165)	(20,121)	(18,879)
Finance costs	*9*	(3,812)	(2,737)	(3,633)
Share of result of a joint venture		—	(15)	(4)
[REDACTED]		**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Profit before tax		18,660	37,273	40,960
Income tax expense	*11*	(1,124)	(3,236)	(4,041)
Profit and total comprehensive income for the year	*12*	17,536	34,037	36,919
Profit (loss) and total comprehensive income (expense) for the year attributable to:				
Owners of the Company		19,372	34,234	37,229
Non-controlling interests		(1,836)	(197)	(310)
		17,536	34,037	36,919
Earnings per share (in RMB)				
Basic	*15*	[0.05]	[0.08]	[0.08]

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
		2023	**2024**	**2025**
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*16*	19,678	19,373	17,989
Intangible assets	*17*	1,051	1,370	1,032
Right-of-use assets	*18*	2,503	2,436	2,369
Investment in a joint venture	*20*	—	485	481
Restricted bank balances	*28(a)*	195	1,405	1,455
Deferred tax assets	*21*	983	2,354	5,457
		24,410	27,423	28,783
CURRENT ASSETS				
Inventories	*23*	20,752	—	492
Contract costs	*24*	25,572	32,575	35,728
Trade and bills receivables	*25*	87,502	73,701	133,375
Other receivables and prepayments	*26*	11,419	9,142	29,573
Contract assets	*27*	37,269	247,427	384,532
Amount due from a joint venture	*39(a)*	—	834	—
Financial assets at fair value through profit or loss ("**FVTPL**")	*22*	507	402	—
Restricted bank balances	*28(a)*	875	464	3,454
Cash and cash equivalents	*28(b)*	40,498	21,394	14,585
		224,394	385,939	601,739

		As at 31 December		
		2023	**2024**	**2025**
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*
CURRENT LIABILITIES				
Trade and other payables	*29*	44,658	147,801	255,317
Provisions	*19*	—	368	69
Amount due to a joint venture	*39(a)*	—	—	1,756
Contract liabilities	*30*	7,728	7,650	13,394
Bank borrowings	*31*	91,077	80,100	128,894
Tax payable		1,619	4,232	8,452
		145,082	240,151	407,882
NET CURRENT ASSETS		79,312	145,788	193,857
TOTAL ASSETS LESS CURRENT LIABILITIES		103,722	173,211	222,640
NON-CURRENT LIABILITY				
Bank borrowings	*31*	—	—	12,510
NET ASSETS		103,722	173,211	210,130
CAPITAL AND RESERVES				
Share capital	*33*	40,000	44,016	44,016
Reserves		66,501	131,859	165,566
Equity attributable to owners of the Company		106,501	175,875	209,582
Non-controlling interests		(2,779)	(2,664)	548
TOTAL EQUITY		103,722	173,211	210,130

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
		2023	**2024**	**2025**
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Investment in subsidiaries		1,200	1,200	1,200
Investment in a joint venture	*20*	—	485	481
Property, plant and equipment	*16*	19,112	18,867	17,504
Intangible assets	*17*	1,051	1,370	1,032
Right-of-use assets	*18*	2,503	2,436	2,369
Restricted bank balances	*28(a)*	195	1,405	1,455
Deferred tax assets	*21*	1,974	3,587	6,780
		26,035	29,350	30,821
CURRENT ASSETS				
Inventories	*23*	20,752	—	492
Contract costs	*24*	25,572	32,575	35,728
Trade and bills receivables	*25*	87,496	73,604	133,258
Other receivables and prepayments	*26*	11,174	8,815	29,120
Contract assets	*27*	37,269	247,427	384,532
Amounts due from subsidiaries	*39(b)*	110	—	95
Amount due from a joint venture	*39(a)*	—	834	—
Financial assets at FVTPL	22	507	402	—
Restricted bank balances	*28(a)*	875	464	3,454
Cash and cash equivalents	*28(b)*	40,263	20,956	14,371
		224,018	385,077	601,050
CURRENT LIABILITIES				
Trade and other payables	*29*	44,522	147,589	255,291
Provisions	*19*	—	368	69
Amounts due to subsidiaries	*39(b)*	—	1,182	691
Amount due to a joint venture	*39(a)*	—	—	1,756
Contract liabilities	*30*	7,584	7,405	13,153
Bank borrowings	*31*	91,077	80,100	128,894
Tax payable		1,619	4,232	8,452
		144,802	240,876	408,306

		As at 31 December		
		2023	**2024**	**2025**
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*
NET CURRENT ASSETS		79,216	144,201	192,744
TOTAL ASSETS LESS CURRENT LIABILITIES		105,251	173,551	223,565
NON-CURRENT LIABILITY				
Bank borrowings	*31*	—	—	12,510
NET ASSETS		105,251	173,551	211,055
CAPITAL AND RESERVES				
Share capital	*33*	40,000	44,016	44,016
Reserves	*34*	65,251	129,535	167,039
TOTAL EQUITY		105,251	173,551	211,055

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to owners of the Company							
	Share capital *RMB'000*	Share premium *RMB'000*	Statutory reserve *(note i)* *RMB'000*	Other reserve *RMB'000*	Retained earnings *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1 January 2023	40,000	2,197	7,371	—	37,561	87,129	(1,231)	85,898
Profit (loss) and total comprehensive income (expense) for the year	—	—	—	—	19,372	19,372	(1,836)	17,536
Capital injection by the non-controlling shareholder	—	—	—	—	—	—	288	288
Statutory fund appropriation	—	—	1,970	—	(1,970)	—	—	—
As at 31 December 2023	40,000	2,197	9,341	—	54,963	106,501	(2,779)	103,722
Profit (loss) and total comprehensive income (expense) for the year	—	—	—	—	34,234	34,234	(197)	34,037
Issue of shares	4,016	31,124	—	—	—	35,140	—	35,140
Capital injection by the non-controlling shareholder	—	—	—	—	—	—	312	312
Statutory fund appropriation	—	—	3,316	—	(3,316)	—	—	—
As at 31 December 2024	44,016	33,321	12,657	—	85,881	175,875	(2,664)	173,211
Profit (loss) and total comprehensive income (expense) for the year	—	—	—	—	37,229	37,229	(310)	36,919
Acquisition of additional interest in a subsidiary *(note ii)*	—	—	—	(3,522)	—	(3,522)	3,522	—
Statutory fund appropriation	—	—	3,750	—	(3,750)	—	—	—
As at 31 December 2025	44,016	33,321	16,407	(3,522)	119,360	209,582	548	210,130

Notes:

(i) According to the relevant laws in the People's Republic of China (the "**PRC**"), companies established in the Mainland China with limited liability are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their respective registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

(ii) In June 2025, the Group acquired additional 40% equity interest in Zhuhai Huacheng Electric Construction Co., Ltd. (珠海華成電力建設有限公司), a then non-wholly owned subsidiary, from a non-controlling shareholder at nil consideration. The difference between the consideration and the Group's acquired share of net liabilities held by the non-controlling shareholder was recognised directly in equity as other reserve.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
OPERATING ACTIVITIES			
Profit before tax	18,660	37,273	40,960
Adjustments for:			
Bank interest income	(163)	(138)	(28)
Finance costs	3,812	2,737	3,633
Fair value change on financial assets at FVTPL	(21)	(1)	—
Share of result of a joint venture	—	15	4
Depreciation of property, plant and equipment	927	1,210	1,222
Depreciation of right-of-use assets	67	67	67
Amortisation of intangible assets	277	410	550
Loss on disposal of property, plant and equipment	1	17	—
Impairment losses under ECL model, net of reversal	2,142	9,139	20,686
Operating cash flows before movements in working capital	25,702	50,729	67,094
(Increase) decrease in inventories	(20,752)	20,752	(492)
(Increase) decrease in trade and bills receivables	(21,655)	7,496	(77,170)
Increase in contract assets	(19,114)	(212,968)	(140,256)
(Increase) decrease in amount from a joint venture	—	(834)	834
Decrease (increase) in other receivables and prepayments	3,571	5,410	(19,169)
Increase in contract costs	(11,817)	(6,523)	(2,632)
Increase in amount due to a joint venture	—	—	1,756
Increase in trade and other payables	23,574	99,986	106,998
Increase (decrease) in provisions	—	368	(299)
(Decrease) increase in contract liabilities	(10,095)	(78)	5,744
Cash used in operations	(30,586)	(35,663)	(57,591)
Income tax paid	(1,126)	(1,994)	(2,924)
Interest received	163	138	28
NET CASH USED IN OPERATING ACTIVITIES	(31,549)	(37,518)	(60,488)

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	(4,274)	(2,394)	(574)
Placement of restricted bank balances	(1,269)	(1,726)	(3,533)
Withdrawal of restricted bank balances	2,913	927	493
Purchase of financial assets at FVTPL	—	(906)	—
Capital injection into a joint venture	—	(500)	—
Proceeds from maturity of financial assets at FVTPL	74	1,012	402
Proceeds on disposal of property, plant and equipment	208	263	3
NET CASH USED IN INVESTING ACTIVITIES	(2,348)	(3,324)	(3,209)
FINANCING ACTIVITIES			
New bank borrowings raised	125,786	80,023	160,938
Repayment of bank borrowings	(68,874)	(90,977)	(99,764)
Repayment of borrowings from the controlling shareholder	(1,906)	—	—
Interest paid	(3,753)	(2,760)	(3,503)
Issue of shares	—	35,140	—
Capital injection by the non-controlling shareholder	288	312	—
Payment of **[REDACTED]** costs for the proposed **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
NET CASH FROM FINANCING ACTIVITIES	51,541	21,738	56,888
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,644	(19,104)	(6,809)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	22,854	40,498	21,394
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by cash and cash equivalents	40,498	21,394	14,585

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company (formerly known as Zhuhai Huacheng Electric Power Design Institute Co., Ltd.) was established in 2003 in the PRC as a limited liability company. The Company was converted into a joint stock limited company in 2016. The shares of the Company was listed on National Equities Exchange and Quotations in August 2016 and delisted in April 2026. Mr. Ren Xuefeng ("**Mr. Ren**") is the chairman and the controlling shareholder of the Company. The addresses of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" to the Document.

The Group is principally engaged in the businesses of survey, design and consulting services for power transmission and new energy generation, engineering, procurement and construction ("**EPC**") turnkey projects and comprehensive energy customisation services.

2. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards issued by the IASB. Further details of the material accounting policy information are set out in note 4.

The statutory financial statements of the Company for the years ended 31 December 2023 and 31 December 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Tianheng Certified Public Accountants (Special General Partnership) (天衡會計師事務所(特殊普通合夥)), certified public accountants registered in the China. [No statutory financial statements of the Company have been prepared for the year ended 31 December 2025 as the financial statements have not yet been due to issue.]

3. APPLICATION OF IFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

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

At the date of this report, the Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

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

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

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 ''Presentation and Disclosure in Financial Statements'' sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 ''Presentation of Financial Statements''. The new IFRS 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. In addition, some HKAS 1 paragraphs have been moved to IAS 8 ''Accounting Policies, Changes in Accounting Estimates and Errors'' (the title of which will be changed to ''Basis of Preparation of Financial Statements''upon effective of IFRS 18) and IFRS 7 ''Financial Instruments: Disclosures''. Minor amendments to IAS 7 ''Statement of Cash Flows'' and IAS 33 ''Earnings per Share'' are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The directors of the Company anticipate that the application of IFRS 18 is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in future consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of profit or loss, even though the IFRS 18 will have no material impact on the financial position and performance of the Group given it will not impact the recognition or measurement of items in the consolidated financial statements.

Except as described above, the directors of the Company consider that the application of all the amendments to IFRS Accounting Standards is unlikely to have a material impact on the Group's financial position and performance in the foreseeable future.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Historical Financial Information has 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, as explained in the accounting policies set out below.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

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

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

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

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

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.

Investment in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less identified impairment loss, if any.

Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint venture is incorporated in these Historical Financial Information using the equity method of accounting. The financial statements of the joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture.

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

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

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 6, note 27 and note 30.

Leases

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 "Lease" ("**IFRS 16**") at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of machinery and equipment, motor vehicles and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

The Group as a lessor

Classification and measurement of leases

All leases are classified as operating leases.

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

Borrowing costs

All 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. Such grants are presented under "other income."

Employee benefits

Retirement benefit costs

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share awards/Share options granted to employees

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

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax 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 each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information 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 the initial recognition of other 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.

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 each 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 each reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax are recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. 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.

Research and development expenditure

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in, first out 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.

Contract costs

Contract costs are the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

Financial instruments

Financial assets and financial liabilities are recognised 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 IFRS 15 "Revenue from Contracts with Customers" ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

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

Financial assets

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

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

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

*Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 "Financial Instruments" ("**IFRS 9**").*

The Group performs impairment assessment under ECL model on financial assets (including trade and bills receivables, other receivables, amounts due from a joint venture/subsidiaries, restricted bank balances and cash and cash equivalents) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables, contract assets and trade nature amount due from a joint venture/subsidiaries without significant financing component.

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

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting 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, obtained from economic expert reports and financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

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

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

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

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when 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, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) 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; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The ECL on contract assets are individually assessed by reference to external credit ratings where available. The Group takes into consideration of customer type and specific industries of those customers.

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount 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.

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

All financial liabilities including amount due to a joint venture, amounts due to subsidiaries, trade and other payables and bank borrowings are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Impairment on contract costs, property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

Before the Group recognizes an impairment loss for assets capitalized as contract costs under IFRS 15, the Group assesses and recognizes any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalized as contract costs is recognized to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognized as expenses. The assets capitalized as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

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

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Revenue recognition of EPC services

The Group recognises revenue of EPC services on the basis of direct measurement of the value of EPC work transferred to the customer to date. Management estimates the contract sum and budgeted costs at the commencement of the EPC service contracts and regularly assesses the progress of EPC works as well as the financial impact of scope changes, claims, disputes and liquidation damages. The management's estimate of the revenue requires significant judgement and has a significant impact on the amount of the revenue recognised.

The information about the Group's EPC services is disclosed in note 6.

Recognition of deferred tax assets

Deferred tax assets in respect of deductible temporary differences are recognised and measured based on the expected manner of realisation of the carrying amount of the relevant assets, using tax rates enacted or substantively enacted at the end of each reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves several assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

The information about the Group's deferred tax assets is disclosed in note 21.

Estimated impairment of trade receivables and contract assets

The Group assess ECLs for trade receivables using provision matrix. The provision rates are based on aging for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating). The provision matrix is based on the Group's historical observed default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The Group assesses contract assets arising from contracts with customers individually by reference to external credit ratings, taking into consideration of customer type and specific industries of those customers. The above credit loss rates being adjusted to reflect forward-looking information that is reasonable and supportable and available without undue costs or effort. The provision of ECL is sensitive to changes in estimates.

The information about the Group's trade receivables and contract assets and the related ECL disclosures are set out in notes 25, 27 and 37, respectively.

6. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Type of services			
Survey, design and consultancy services	43,390	45,815	54,252
EPC services	294,698	261,884	344,374
Others	3,005	14,519	8,816
Total	341,093	322,218	407,442
Timing of revenue recognition			
At point in time	43,413	45,922	54,361
Over time	297,680	276,296	353,081
Total	341,093	322,218	407,442
Geographical markets			
Mainland China	341,093	322,218	407,442

(ii) Revenue accounting policies and performance obligations for contracts with customers

Survey, design and consultancy services

Revenue from survey, design and consultancy services is recognised at point in time. The Group entered into power engineering survey, design and consultancy contracts with customers, which is divided into different performance stage with different performance obligations. Revenue is recognised in accordance with the consideration for each performance stage in the contract when the corresponding performance stage was completed and upon confirmed by the customers.

The credit period granted to customers by the Group is determined based on the characteristics of customers' credit risks and the management of the Group considers that there is no significant financing component. A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer.

EPC services

The Group provides EPC services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls the asset that is created or enhanced. Revenue is recognised for these EPC services based on the value of EPC work using output method.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the EPC services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones or the value of EPC work has to be agreed with the customers. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfer the contract assets to trade receivables when the Group issued invoice to the customers based on the settlement terms agreed in the contract.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the EPC services. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the EPC services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Substantially all of the survey, design and consultancy services contracts are for periods of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

For EPC service contracts, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) amounting to RMB300,815,000, RMB748,042,000 and RMB469,566,000 as at 31 December 2023, 2024 and 2025, respectively. Management expects that all the remaining performance obligations will be recognised as revenue over the next three years, the next three years and the next three years from the end of the years ended 31 December 2023, 2024 and 2025 respectively.

Segment information

Information reported to the Company's chairman and chief executive, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. The Group's reportable and operating segments under IFRS 8 "Operating Segments" are summarised as follows:

Year ended 31 December 2023

Results	**Survey, design and consultancy services** *RMB'000*	**EPC services** *RMB'000*	**Other services** *RMB'000*	**Eliminations** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue	43,760	294,698	3,005	(370)	341,093
Segment profit	28,042	32,626	1,275	—	61,943
Unallocated other income					2,145
Impairment losses under ECL model, net of reversal					(2,142)
Other gains and losses					(181)
Unallocated expenses					(39,293)
Finance costs					(3,812)
Profit before tax					18,660

Year ended 31 December 2024

Results	**Survey, design and consultancy services** *RMB'000*	**EPC services** *RMB'000*	**Other services** *RMB'000*	**Eliminations** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue	48,267	261,884	14,519	(2,452)	322,218
Segment profit	29,373	57,278	6,276	—	92,927
Unallocated other income					1,435
Impairment losses under ECL model, net of reversal					(9,139)
Other gains and losses					26
Unallocated expenses					(45,224)
Share of result of a joint venture					(15)
Finance costs					(2,737)
Profit before tax					37,273

Year ended 31 December 2025

Results	**Survey, design and consultancy services** *RMB'000*	**EPC services** *RMB'000*	**Other services** *RMB'000*	**Eliminations** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue	55,095	344,374	8,816	(843)	407,442
Segment profit	34,999	70,216	2,900	—	108,115
Unallocated other income					255
Impairment losses under ECL model, net of reversal					(20,686)
Other gains and losses					189
Unallocated expenses					(43,276)
Share of result of a joint venture					(4)
Finance costs					(3,633)
Profit before tax					40,960

Segment assets and liabilities

No assets and liabilities are included in the measures of the Group's segment reporting that are provided to the CODM. Accordingly, no segment assets and liabilities are presented.

Geographical information

All of the Group's non-current assets are located in the Mainland China and all revenue are derived from the Mainland China. Information about the Group's revenue from external customers is presented based on the location of the operations.

Information about major customers

Revenue from customers under the same group contributing over 10% of total revenue of the Group for each reporting period is as below:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A[1]	256,828	N/A[2]	N/A[2]
Customer B[1]	—	116,240	45,297
Customer C[1]	N/A[2]	56,690	N/A[2]
Customer D[1]	—	—	242,786

1 Revenue from EPC services.
2 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7. OTHER INCOME

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank interest income	163	138	28
Rental income	268	284	71
Management service income	82	92	57
Government grants *(Note)*	384	921	99
Additional deduction on value-added tax	1,248	—	—
	2,145	1,435	255

Note: The amounts recognised mainly represent subsidies granted by local government authorities to support the operating activities of the Group, in which no future related cost is expected to be incurred. These government grants with no unfulfilled conditions are recognised when payments were received.

8. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss on disposal of property, plant and equipment	(1)	(17)	—
Fair value change on financial assets at FVTPL	21	1	—
Others	(201)	42	189
	(181)	26	189

9. FINANCE COSTS

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on:			
— bank borrowings	3,812	2,737	3,633

10. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net impairment losses (recognised) reversal on:			
— trade receivables	(2,225)	(6,305)	(17,496)
— contract assets	(13)	(2,810)	(3,151)
— other receivables	96	(24)	(39)
Total	(2,142)	(9,139)	(20,686)

11. INCOME TAX EXPENSE

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Current tax:			
— PRC Enterprise Income Tax ("**EIT**")	1,624	4,599	7,134
(Over)under-provision in prior years:			
— PRC EIT	(180)	8	10
Deferred tax *(note 21)*	(320)	(1,371)	(3,103)
Total	1,124	3,236	4,041

According to the Enterprise Income Tax Law of the People's Republic of China (the "**EIT Law**") and the Implementation Regulations of the EIT Law, hi-tech enterprises are entitled to a preferential income tax rate of 15%. The Company has obtained high-tech enterprise certification and is subject to a preferential EIT of 15% during the Track Record Period.

In addition, according to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Policies for Income Tax of Small and Micro Enterprises (No. 13, 2022) and the Announcement on Further Supporting the Development of Tax policies for Small and Micro Enterprises and Industrial and Commercial Households (No. 12, 2023), from 1 January 2022 to 31 December 2027, the annual taxable income of small and low-profit enterprises exceeding RMB1 million but not exceeding RMB3 million shall be reduced by 25%, and enterprise income tax shall be paid at the tax rate of 20%. During the Track Record Period, the Company's subsidiaries, Zhuhai Huacheng Electric Construction Co., Limited and Zhuhai Henghai Integrated Energy Service Co., Limited enjoyed corresponding enterprise income tax concessions according to the applicable ranges.

Under the EIT Law and Implementation Regulation of the EIT Law, except for the preferential treatments available to the Company and certain subsidiaries as mentioned above, other subsidiaries within the Group operating in the PRC are subject to EIT at the statutory rate of 25% during the Track Record Period.

The taxation for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	18,660	37,273	40,960
Tax at the statutory rate of 25% applicable to the Company	4,665	9,318	10,240
Tax effect of expenses not deductible for tax purposes	472	269	58
Effect of different tax rates of the Company and PRC subsidiaries	(879)	(2,157)	(2,693)
Tax effect of tax losses not recognised	1,028	394	273
Utilisation of tax losses previously not recognised	—	(270)	—
Tax effect of additional deduction rate on certain research and development expenses *(Note)*	(3,982)	(4,326)	(3,847)
(Over)under-provision in prior years	(180)	8	10
Income tax expense	1,124	3,236	4,041

Note: The eligible expenditures represent research and development costs incurred in the Mainland China and charged to profit or loss, which is subject to a tax deduction ranged from 175% to 200% in the calculation of income tax expense for the Company during the Track Record Period.

12. PROFIT FOR THE YEAR

Profit for the Track Record Period has been arrived at after charging:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Directors', chief executives' and supervisors' remuneration *(note 14)*	3,049	3,931	3,462
Other staff costs	39,268	45,595	47,718
— salaries, wages and allowances	27,191	31,160	33,571
— performance related bonus	4,324	6,234	5,330
— retirement benefit scheme contribution	1,631	1,920	2,372
— other staffs' benefit	6,122	6,281	6,445
Total staff costs	42,317	49,526	51,180
Less: Capitalised in contract costs	(20,161)	(21,053)	(22,480)
	22,156	28,473	28,700
Depreciation of property, plant and equipment	1,397	1,690	1,743
Depreciation of right-of-use assets	67	67	67
Amortisation of intangible assets	277	410	550
Total depreciation and amortisation	1,741	2,167	2,360
Less: Capitalised in contract costs	(470)	(480)	(521)
Depreciation and amortisation charged directly to profit or loss	1,271	1,687	1,839
Auditor's remuneration	184	223	271
Cost of inventories recognised in profit or loss	154,086	75,395	174,657
[REDACTED] recognised in profit or loss	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

13. DIVIDENDS

No dividend was declared or paid by the Company to ordinary shareholders of the Company during the Track Record Period, nor has any dividend been proposed subsequent to the end of the Track Record Period to the date of this report.

14. DIRECTORS', CHIEF EXECUTIVES', SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid/payable to the individuals who were appointed as the directors and supervisors and chief executive of the Company during the Track Record Period are as follow:

	Salaries, allowance and benefits in kind	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023				
Executive directors				
Mr. Ren Xuefeng	355	51	—	406
Mr. Ren Shuning	356	150	7	513
Mr. He Yongan	352	35	7	394
Mr. Duan Xiaohui	359	35	7	401
Ms. Li Xia	306	15	7	328
	1,728	286	28	2,042
Supervisors				
Ms. Lin Xiumei	231	36	—	267
Mr. Shu Yueshui	313	99	7	419
Mr. Yi Hongcong	299	15	7	321
	843	150	14	1,007
	2,571	436	42	3,049

	Salaries, allowance and benefits in kind	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Executive directors				
Mr. Ren Xuefeng	355	61	—	416
Mr. Ren Shuning	425	126	8	559
Mr. He Yongan	388	299	8	695
Mr. Duan Xiaohui	424	267	8	699
Ms. Li Xia	315	97	8	420
	1,907	850	32	2,789
Supervisors				
Ms. Lin Xiumei	222	39	—	261
Mr. Shu Yueshui	349	141	8	498
Mr. Yi Hongcong	315	60	8	383
	886	240	16	1,142
	2,793	1,090	48	3,931

	Salaries, allowance and benefits in kind	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025				
Executive directors				
Mr. Ren Xuefeng	355	69	—	424
Mr. Ren Shuning	354	48	9	411
Mr. He Yongan	384	140	9	533
Mr. Duan Xiaohui	395	72	9	476
Ms. Li Xia	308	91	9	408
	1,796	420	36	2,252
Supervisors				
Ms. Lin Xiumei	221	140	—	361
Mr. Shu Yueshui	334	81	9	424
Mr. Yi Hongcong	336	80	9	425
	891	301	18	1,210
	2,687	721	54	3,462

During the Track Record Period, there were no changes in the directors, supervisors and senior management personnel. Mr. Ren Shuning is the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

Mr. Miao Fan (苗帆)，Mr. Lee Chi Ho (李智豪) and Mr. Shi Shaoying (石少英) are assigned as independent non-executive directors on 27 April 2026 and effective since the **[REDACTED]**.

The performance based bonus is determined based on the performance of individual and market trend during the Track Record Period.

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

The supervisors' emoluments shown above were for their services as supervisors of the Company.

During the years ended 31 December 2023, 2024 and 2025, the five highest paid individuals of the Group include three, three and two directors, respectively. The remunerations of the remaining individuals during the Track Record Period are set out below:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Employees			
— salaries and other benefits	699	741	1,076
— performance related bonus	244	343	457
— contributions to retirement benefit scheme	53	60	93
	996	1,144	1,626

The number of the highest paid employees who are not the directors nor supervisors of the Company whose remuneration fell within the following band is as follows:

	Number of employees Year ended 31 December		
	2023	**2024**	**2025**
Nil to Hong Kong Dollar ("**HK$**") 1,000,000	2	2	3

During the Track Record Period, no emoluments were paid by the Group to any of the directors or supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no directors or supervisors waived or agreed to waive any emoluments during the Track Record Period.

15. EARNINGS PER SHARE

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

	Year ended 31 December		
	2023	**2024**	**2025**
Earnings for the year (RMB'000):			
Earnings for the purpose of basic earnings per share	19,372	34,234	37,229
Number of shares ('000):			
Weighted average number of ordinary shares for the purpose of basic earnings per share	400,000	430,120	440,160

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined based on the assumption that [the share subdivision as described in note 43] had occurred on 1 January 2023.

No diluted earnings per share for each reporting period were presented as there were no potential ordinary shares in issue for those years.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings *RMB'000*	Electronic and other equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
COST:				
At 1 January 2023	19,982	3,939	2,682	26,603
Additions	2,321	916	685	3,922
Disposals	—	(144)	(232)	(376)
At 31 December 2023	22,303	4,711	3,135	30,149
Additions	253	850	562	1,665
Disposals	—	(40)	(263)	(303)
At 31 December 2024	22,556	5,521	3,434	31,511
Additions	198	164	—	362
Disposals	—	(358)	—	(358)
At 31 December 2025	22,754	5,327	3,434	31,515
ACCUMULATED DEPRECIATION:				
At 1 January 2023	5,329	2,824	1,088	9,241
Provided for the year	678	461	258	1,397
Eliminated on disposals	—	(139)	(28)	(167)
At 31 December 2023	6,007	3,146	1,318	10,471
Provided for the year	917	489	284	1,690
Eliminated on disposals	—	—	(23)	(23)
At 31 December 2024	6,924	3,635	1,579	12,138
Provided for the year	897	519	327	1,743
Eliminated on disposals	—	(355)	—	(355)
At 31 December 2025	7,821	3,799	1,906	13,526
CARRYING AMOUNTS:				
At 31 December 2023	16,296	1,565	1,817	19,678
At 31 December 2024	15,632	1,886	1,855	19,373
At 31 December 2025	14,933	1,528	1,528	17,989

The Company

	Buildings	Electronic and other equipment	Motor vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST:				
At 1 January 2023	19,982	3,939	2,682	26,603
Additions	2,321	345	685	3,351
Disposals	—	(144)	(232)	(376)
At 31 December 2023	22,303	4,140	3,135	29,578
Additions	253	850	562	1,665
Disposals	—	—	(263)	(263)
At 31 December 2024	22,556	4,990	3,434	30,980
Additions	198	164	—	362
Disposals	—	(358)	—	(358)
At 31 December 2025	22,754	4,796	3,434	30,984
ACCUMULATED DEPRECIATION:				
At 1 January 2023	5,329	2,824	1,088	9,241
Provided for the year	678	456	258	1,392
Eliminated on disposals	—	(139)	(28)	(167)
At 31 December 2023	6,007	3,141	1,318	10,466
Provided for the year	917	469	284	1,670
Eliminated on disposals	—	—	(23)	(23)
At 31 December 2024	6,924	3,610	1,579	12,113
Provided for the year	897	498	327	1,722
Eliminated on disposals	—	(355)	—	(355)
At 31 December 2025	7,821	3,753	1,906	13,480
CARRYING AMOUNTS:				
At 31 December 2023	16,296	999	1,817	19,112
At 31 December 2024	15,632	1,380	1,855	18,867
At 31 December 2025	14,933	1,043	1,528	17,504

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Buildings	3.17%–10.00%
Electronic and other equipment	10.00%–31.67%
Motor vehicles	19.00%

17. INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
COST:	
At 1 January 2023	2,842
Additions	352
At 31 December 2023	3,194
Additions	729
At 31 December 2024	3,923
Additions	212
At 31 December 2025	4,135
ACCUMULATED DEPRECIATION:	
At 1 January 2023	1,866
Provided for the year	277
At 31 December 2023	2,143
Provided for the year	410
At 31 December 2024	2,553
Provided for the year	550
At 31 December 2025	3,103
CARRYING AMOUNTS:	
At 31 December 2023	1,051
At 31 December 2024	1,370
At 31 December 2025	1,032

The software have finite useful lives and are amortised over a straight-line basis over 5 to 10 years.

18. RIGHT-OF-USE ASSETS

The Group and the Company

	Leasehold lands
	RMB'000
At 1 January 2023	2,570
Depreciation	(67)
At 31 December 2023	2,503
Depreciation	(67)
At 31 December 2024	2,436
Depreciation	(67)
At 31 December 2025	2,369

The leasehold land are depreciated on a straight-line basis over lease terms at 2% per annum.

The Group and the Company

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Expenses relating to short-term leases and low-value assets	960	1,293	396
Total cash outflow for leases	960	1,293	396

The Group and the Company regularly entered into short-term leases for motor vehicles, machinery and equipment and buildings. As at 31 December 2023, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

19. PROVISIONS

The Group and the Company

	Warranty provision
	RMB'000
At 1 January 2023 and 31 December 2023	—
Additional provision in the year	410
Utilisation of provision	(42)
At 31 December 2024	368
Additional provision in the year	678
Utilisation of provision	(977)
At 31 December 2025	69

The warranty provision represents management's best estimate of the Group's liability under 1-year or 2-years assurance-type warranty granted on completed EPC projects, based on prior experience for projects operating normally.

20. INVESTMENT IN A JOINT VENTURE

The Group and the Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investment in a joint venture under equity method	—	485	481

Details of the Group and the Company's joint venture as at 31 December 2023, 2024 and 2025 are as below:

Name of joint venture	**Country of Incorporation/ operation**	**Proportion of ownership interest/voting rights held by the Group and the Company As at 31 December 2023**	**2024**	**2025**	**At date of this report**	**Principal activity**
Shanxi Cellular Optical Network Energy Technology Co., Ltd. (山西省蜂窩光網能源科技有限公司) *(note)*	PRC	—	50%	50%	50%	Optical network energy

Note: The joint venture was established in 2023 and the Company made the capital injection in 2024.

21. DEFERRED TAX ASSETS

The followings are the major deferred tax assets recognised and movements thereon during the Track Record Period:

The Group

	ECL provision
	RMB'000
At 1 January 2023	663
Credit to profit or loss	320
At 31 December 2023	983
Credit to profit or loss	1,371
At 31 December 2024	2,354
Credit to profit or loss	3,103
At 31 December 2025	5,457

The Company

	ECL provision
	RMB'000
At 1 January 2023	1,222
Credit to profit or loss	752
At 31 December 2023	1,974
Credit to profit or loss	1,613
At 31 December 2024	3,587
Credit to profit or loss	3,193
At 31 December 2025	6,780

As at 31 December 2023, 2024 and 2025, the Group had unused tax losses of RMB6,355,000, RMB6,848,000 and RMB7,942,000, under PRC EIT, respectively, available to offset against future profits. No deferred tax asset has been recognised as at 31 December 2023, 2024 and 2025 due to the unpredictability of future profit streams. Pursuant to the relevant laws and regulations in the PRC, the unrecognised tax losses at the end of each reporting period will expire in the following years:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
2026	563	560	560
2027	1,680	1,454	1,454
2028	4,112	3,260	3,260
2029	—	1,574	1,574
2030	—	—	1,094
	6,355	6,848	7,942

22. FINANCIAL ASSETS AT FVTPL

	The Group and the Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial products	507	402	—

Details of the fair value measurement for the financial assets at FVTPL are set out in note 38. All of the financial assets at FVTPL are denominated in RMB, which is the same as the functional currency of the Company.

The directors of the Company determine these financial products are mainly for the purpose of short-term fund management, which can be withdrawn on demand, therefore these financial products are classified as current assets.

23. INVENTORIES

	The Group and the Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Uninstalled construction materials	20,752	—	492

24. CONTRACT COSTS

	The Group and the Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Costs to fulfil contracts *(Note)*	25,572	32,575	35,728

Note: Contract costs capitalised relate to the costs paid to fulfil contracts of survey, design and consultancy services which are still uncompleted at the reporting date. Contract costs are recognised as part of cost of sales in the consolidated statements of profit or loss and other comprehensive income in the period in which revenue from the related survey, design and consultancy services is recognised. The amount of capitalised costs which related to survey, design and consultancy services recognised in profit or loss was RMB15,533,000, RMB19,014,000 and RM23,040,000 during the years ended 31 December 2023, 2024 and 2025, respectively. There was no impairment in relation to the balance of capitalised costs or the costs capitalised during the Track Record Period.

25. TRADE AND BILLS RECEIVABLES

	The Group		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables — contracts with customers	93,293	86,362	153,080
Less: allowance for credit losses	(6,356)	(12,661)	(30,157)
	86,937	73,701	122,923
Bills receivables	565	—	10,452
Total trade and bills receivables	87,502	73,701	133,375

	The Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables — contracts with customers	93,286	86,262	152,961
Less: allowance for credit losses	(6,355)	(12,658)	(30,155)
	86,931	73,604	122,806
Bills receivables	565	—	10,452
Total trade and bills receivables	87,496	73,604	133,258

The following is an ageing analysis of trade and bills receivables, net of allowance for credit losses, presented based on dates of rendering of services recognised:

	The Group		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	62,664	52,177	102,443
1 year to 2 years	15,981	10,056	23,373
2 years to 3 years	5,174	8,113	2,619
More than 3 years	3,683	3,355	4,940
	87,502	73,701	133,375

	The Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	62,658	52,080	102,405
1 year to 2 years	15,981	10,056	23,294
2 years to 3 years	5,174	8,113	2,619
More than 3 years	3,683	3,355	4,940
	87,496	73,604	133,258

The following is the past due analysis of the carrying amount of trade and bills receivables:

	The Group		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Not yet past due	43,469	8,362	25,495
Past due less than 30 days	6,758	7,120	14,982
Past due more than 30 days but less than 365 days	13,739	37,739	61,972
Past due more than 365 days	23,536	20,480	30,926
	87,502	73,701	133,375

	The Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Not yet past due	43,463	8,362	25,458
Past due less than 30 days	6,758	7,120	14,982
Past due more than 30 days but less than 365 days	13,739	37,642	61,972
Past due more than 365 days	23,536	20,480	30,846
	87,496	73,604	133,258

The above trade receivables which have been past due more than 90 days are not considered as in default because these trade receivables relate to a number of independent customers for whom there was no recent history of default and they have a good track record with the Group.

As at 1 January 2023, the carrying amount of trade and bills receivables net of allowance for credit losses from contracts with customers of the Group and the Company amounted to RMB68,072,000.

The Group and the Company does not hold any collateral over these balances. Further details of impairment assessment of trade and bills receivables under IFRS 9 are set out in note 37.

26. OTHER RECEIVABLES AND PREPAYMENTS

	The Group As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deposit	913	908	1,351
Prepayments	9,455	6,953	15,375
Deferred issue cost	—	—	1,300
Other receivable from a third party *(note 29)*	—	—	10,009
Others	1,091	1,345	1,641
	11,459	9,206	29,676
Less: allowance for credit losses	(40)	(64)	(103)
	11,419	9,142	29,573

	The Company As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deposit	913	907	1,351
Prepayments	9,215	6,642	15,065
Deferred issue cost	—	—	1,300
Other receivable from a third party *(note 29)*	—	—	10,009
Others	1,086	1,329	1,497
	11,214	8,878	29,222
Less: allowance for credit losses	(40)	(63)	(102)
	11,174	8,815	29,120

27. CONTRACT ASSETS

	The Group and the Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Analysed as current:			
Unbilled revenue of EPC contracts *(Note a)*	36,292	229,379	367,108
Retention receivables of service contracts *(Note b)*	977	18,048	17,424
	37,269	247,427	384,532

The allowance for credit losses of contract assets of the Group and the Company are RMB168,000, RMB2,978,000 and RMB6,129,000 as at 31 December 2023, 2024 and 2025.

Retention receivables of service contracts			
Due within one year	592	17,525	197
Due more than one year	385	523	17,227
	977	18,048	17,424

As at 1 January 2023, the carrying amount of contract assets of the Group and the Company amounted to RMB18,168,000.

Notes:

(a) Unbilled revenue included in contract assets represents the Group's and the Company's right to receive consideration for work completed but not yet billed because the rights are conditioned on the Group's and the Company's future performance in achieving specified milestones or the value of EPC work has to be agreed with the customers. The contract assets are transferred to the trade receivables when the rights become unconditional. The significant increase is the result of the increase in new EPC projects and ongoing services at the end of the Track Record Period.

(b) Retention receivables included in contract assets represents the Group and the Company's right to receive consideration for work performed and not yet billed because the rights are conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the expiry date of the period for the provision of assurance by the Group and the Company on the service quality of the construction work performed by the Group and the Company. For retention receivables in respect of service contracts, the due dates are usually one to two years after the completion of the service work.

The Group and the Company classifies these contract assets as current because the Group and the Company expects to realise them in its normal operating cycle.

Details of the impairment assessment of contract assets are set out in note 37.

28. RESTRICTED BANK BALANCES/CASH AND CASH EQUIVALENTS

(a) Restricted bank balances

Restricted bank balances of the Group and the Company amounting to RMB1,070,000, RMB1,869,000 and RMB1,882,000 as at 31 December 2023, 2024 and 2025, respectively, represented bank balances placed in a designated bank account of the Group whose uses were restricted for performance guarantee and interest bearing at 0.0% to 2.5% per annum.

In addition, restricted bank balances of the Group and the Company amounting to RMB3,027,000 as at 31 December 2025 represented bank balances placed in a designated bank account of the Group whose uses were restricted for a contractual dispute.

(b) Cash and cash equivalents

Cash and cash equivalents mainly consist of demand deposits with floating interest rate for the purpose of meeting the Group's short term cash commitment.

The ranges of effective interest rate of the bank balances are:

	The Group As at 31 December		
	2023	**2024**	**2025**
Interest rate per annum:			
— Bank balances	0.2%–1.35%	0.1%–1.35%	0.05%–1.35%

	The Company As at 31 December		
	2023	**2024**	**2025**
Interest rate per annum:			
— Bank balances	0.2%–1.35%	0.1%–1.35%	0.05%–1.35%

Details of impairment assessment of bank balances are set out in note 37.

29. TRADE AND OTHER PAYABLES

	The Group As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables and accrued construction costs	38,256	119,842	215,768
Salaries and wages payables	4,227	5,292	5,453
Other tax payables	1,591	21,893	30,848
Advance receipt of rental payment	—	91	—
[REDACTED] payables	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Accrued issue costs	—	—	517
Other payables	584	683	1,181
	44,658	147,801	255,317

	The Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables and accrued construction costs	38,256	119,841	215,767
Salaries and wages payables	4,029	5,194	5,453
Other tax payables	1,657	21,791	30,846
Advance receipt of rental payment	—	91	—
[REDACTED] payables	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Accrued issue costs	—	—	517
Other payables	580	672	1,158
	44,522	147,589	255,291

During the year ended 31 December 2025, a main contractor of the Group ("**Party A**") has commenced litigation (the "**Dispute**") against the Group for RMB3 million in respect of certain variation order in respect of a project which was substantially completed in prior year (the "**Project**"). After seeking legal opinion, the Group is of the view that adequate provision has been made as at 31 December 2025. In addition, the Group was informed by a subcontractor for another project ("**Party B**"), that it acted as representative of a group of subcontractors of Party A (the main contractor of the Project) who have worked as subcontractors for the Project, to request payment from the Company in respect of costs incurred for the Project. The Company made temporary payment of RMB10,009,000 to Party B (the "**Temporary Payment**"). The controlling shareholder and the directors of the Company believe that they can recover such Temporary Payment in full upon resolution of the disputes with Party A.

The Group has also received indemnity from the controlling shareholder that in the event the Group cannot recover the Temporary Payment or incur other loss as a result of the Dispute, the controlling shareholder would reimburse the Group in full.

The following is an ageing analysis of trade payables of the Group and the Company presented based on the services received date at the end of each reporting period:

	The Group		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Less than 1 year	36,296	108,913	117,247
More than 1 year and less than 2 years	1,160	10,483	91,289
More than 2 years and less than 3 years	265	100	6,856
More than 3 years	535	346	376
	38,256	119,842	215,768

	The Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Less than 1 year	36,296	108,912	117,246
More than 1 year and less than 2 years	1,160	10,483	91,289
More than 2 years and less than 3 years	265	100	6,856
More than 3 years	535	346	376
	38,256	119,841	215,767

30. CONTRACT LIABILITIES

	The Group		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Service income	7,728	7,650	13,394

	The Company		
	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Service income	7,584	7,405	13,153

As at 1 January 2023, the Group and the Company had contract liabilities of RMB17,823,000 for service income.

Contract liabilities are expected to be settled within the Group's and the Company's normal operating cycle.

The contract liabilities for service income are classified as current based on the Group's earliest obligation to provide service to the customers. Revenue recognised during each reporting period with performance obligation satisfied includes the entire balance of contract liabilities at the beginning of each reporting period.

31. BANK BORROWINGS

The Group and the Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings are repayable:			
— within one year	91,077	80,100	128,894
— within a period of more than one year but not exceeding two years	—	—	12,510
	91,077	80,100	141,404

Analysed as:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Secured *(note)*	—	42,515	48,771
Unsecured	91,077	37,585	92,633
	91,077	80,100	141,404

The amounts due are based on scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates of the Group and the Company's borrowings are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	%	*%*	*%*
Effective interest rates:			
— Fixed rate borrowing	3.3–5.3	3.3–4.55	2.4–4.2

All the bank borrowings as at 31 December 2023, 2024 and 2025 were guaranteed by several shareholders of the Company.

Note: The bank borrowings as at 31 December 2023, 2024 and 2025 were secured by certain of the Company's trade receivables and the Company's buildings. Details of the secured assets are disclosed in note 41.

32. RETIREMENT BENEFIT PLANS

In accordance with the rules and regulations in the Mainland China, the employees of the Group based in the Mainland China participate in the defined contribution retirement benefit plan organised by the relevant municipal and provincial governments in the Mainland China under which the Group and the relevant employees are required to make monthly contributions to the plan calculated at a certain percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired Mainland-China-based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans are recognised as employee benefit charged to profit or loss and capitalised where applicable. Further details are set out in notes 12 and 14.

33. SHARE CAPITAL

Details of movements of authorised and issued share capital of the Company are as follows:

	Number of shares	**Share capital**
	'000	*RMB'000*
Ordinary shares of RMB1 each		
Issued and fully paid:		
At 1 January 2023 and 31 December 2023	40,000	40,000
Issue of shares *(note)*	4,016	4,016
At 31 December 2024 and 2025	44,016	44,016

Note: On 7 April 2024, pursuant to the passing of a resolution in an extraordinary shareholders' meeting of the Company, the Company issued 4,016,000 shares of RMB1 each at RMB8.75 per share, for a total consideration of approximately RMB35,140,000.

34. RESERVES OF THE COMPANY

	Share premium	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	2,197	7,371	35,978	45,546
Profit for the year	—	—	19,705	19,705
Statutory fund appropriation	—	1,970	(1,970)	—
As at 31 December 2023	2,197	9,341	53,713	65,251
Profit for the year	—	—	33,160	33,160
Issue of shares	31,124	—	—	31,124
Statutory fund appropriation	—	3,316	(3,316)	—
As at 31 December 2024	33,321	12,657	83,557	129,535
Profit for the year	—	—	37,504	37,504
Statutory fund appropriation	—	3,750	(3,750)	—
As at 31 December 2025	33,321	16,407	117,311	167,039

35. OPERATING LEASE ARRANGEMENTS

The Group and The Company as lessor

Part of the building held by the Group and the Company has committed lessees for the next one year as at 31 December 2023 and next three months as at 31 December 2024. The lessee does not have an option to purchase the properties at the expiry of the lease period.

Undiscounted lease payments receivable on leases are as follows:

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	299	75	—

36. CAPITAL RISK MANAGEMENT

The Group and the Company manages its capital to ensure that entities in the Group and the Company 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 and the Company's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes bank borrowings disclosed in note 31, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising share capital, retained earnings and other reserves.

The management of the Group and the Company reviews the capital structure on a continuous basis. The Group and the Company considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through new share issues as well as the issue of new debts or the redemption of existing debts.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at FVTPL	507	402	—
At amortised cost			
— Cash and cash equivalents	40,498	21,394	14,585
— Restricted bank balances	1,070	1,869	4,909
— Trade and bills receivables	87,502	73,701	133,375
— Other receivables[1]	1,964	2,189	12,898
	131,541	99,555	165,767
Financial liabilities			
At amortised cost			
— Bank borrowings	91,077	80,100	141,404
— Amount due to a joint venture	—	—	1,756
— Trade and other payables[2]	38,840	120,525	216,949
	129,917	200,625	360,109

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at FVTPL	507	402	—
At amortised cost			
— Cash and cash equivalents	40,263	20,956	14,371
— Restricted bank balances	1,070	1,869	4,909
— Amounts due from subsidiaries	110	—	95
— Trade and bills receivables	87,496	73,604	133,258
— Other receivables[1]	1,959	2,173	12,755
	131,405	99,004	165,388
Financial liabilities			
At amortised cost			
— Bank borrowings	91,077	80,100	141,404
— Amounts due to subsidiaries	—	1,182	691
— Amount due to a joint venture	—	—	1,756
— Trade and other payables[2]	38,836	120,513	216,925
	129,913	201,795	360,776

Notes:

1. Prepayment and deferred issue cost are excluded.

2. Salaries and wages payables, accrued issue costs, **[REDACTED]** payables, other tax payables and advance receipt of rental payment are excluded.

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include bank balances and cash, trade and bills receivables, contract assets, other receivables, amounts due from subsidiaries, financial assets at FVTPL, trade and other payables, amounts due to subsidiaries, amount due to a joint venture and bank borrowings. Details of these 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 risks

(i) Currency risk

The Group and the Company operate in the PRC and all revenue and cost of sales and operations are denominated in RMB. All of the revenue and costs are denominated in the group entities' respective functional currency. The Group isn't exposed to currency risk.

(ii) Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to bank borrowings. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and restricted bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management of the Group considers that the impacts of interest rate risk to profit or loss for the years ended 31 December 2023, 2024 and 2025 are insignificant for a reasonable change in the market interest rate. Accordingly, no sensitivity analysis is prepared.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposures are primarily attributable to trade and bills receivables, contract assets, certain other receivables, amounts due from subsidiaries, restricted bank balances and cash and cash equivalents. The Group or the Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with bills receivables is mitigated because settlement of certain bills receivables are backed by bills issued by reputable banks and financial institutions. Except for financial assets at FVTPL, the Group and the Company performed impairment assessment for financial assets and contract assets under ECL model.

The Group and the Company manage the risk with respect to restricted bank balances and bank balances by placing in or entered into the contract with the banks with high reputation only.

The Group and the Company have policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group and the Company review regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group and the Company normally grant credit periods from [30 to 90] days to customers.

The Group and the Company classified the above assets into below categories:

- Category 1: trade receivables and contract assets arising from contracts with customers;
- Category 2: bills receivables issued/guaranteed by banks;
- Category 3: other receivables and amounts due from subsidiaries; and
- Category 4: restricted bank balances and cash and cash equivalents.

(i) Trade receivables and contract assets arising from contracts with customers

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets arising from contracts with customers. For trade receivables arising from contracts with customers, the provision rates are based on ageing for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Contract assets arising from contracts with customers are individually assessed by reference to external credit ratings, taking into consideration of customer type and specific industries of those customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the consumer price index to be the most relevant factors for the customers, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

The Group

	Lifetime ECL (not credit-impaired) *RMB'000*
As at 1 January 2023	4,286
— Impairment losses recognised, net	2,238
As at 31 December 2023	6,524
— Impairment losses recognised, net	9,115
As at 31 December 2024	15,639
— Impairment losses recognised, net	20,647
As at 31 December 2025	36,286

The Company

	Lifetime ECL (not credit-impaired) *RMB'000*
As at 1 January 2023	4,284
— Impairment losses recognised, net	2,238
As at 31 December 2023	6,522
— Impairment losses recognised, net	9,115
As at 31 December 2024	15,637
— Impairment losses recognised, net	20,647
As at 31 December 2025	36,284

(ii) Bills receivables issued/guaranteed by banks

For bills receivables issued/guaranteed by PRC banks, the management of the Group and the Company consider the credit risk arising from the bills is insignificant.

(iii) Other receivables and amounts due from subsidiaries

The Group and the Company apply the IFRS 9 to measuring expected credit losses for all other receivables and amounts due from subsidiaries. To measure the expected credit losses, other receivables and amounts due from subsidiaries have been grouped based on shared credit risk characteristics.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

The following table shows the movement that has been recognised for other receivables and amounts due from subsidiaries.

The Group

	12m ECL *RMB'000*
As at 1 January 2023	136
— Impairment losses reversed, net	(96)
As at 31 December 2023	40
— Impairment losses recognised, net	24
As at 31 December 2024	64
— Impairment losses recognised, net	39
As at 31 December 2025	103

The Company

	12m ECL
	RMB'000
As at 1 January 2023	3,863
— Impairment losses recognised, net	2,779
As at 31 December 2023	6,642
— Impairment losses recognised, net	1,634
As at 31 December 2024	8,276
— Impairment losses recognised, net	638
As at 31 December 2025	8,914

(iv) Restricted bank balances and cash and cash equivalents

The credit risk on restricted bank balances and cash and cash equivalents of the Group and the Company is limited because the counterparties are banks with good reputation in the PRC.

The tables below detail the credit risk exposures of the financial assets and contract assets, which are subject to ECL assessment:

The Group		12m or lifetime ECL	2023 Gross carrying amount	2024 Gross carrying amount	2025 Gross carrying amount
			RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortised cost					
Restricted bank balances		12m ECL	1,070	1,869	4,909
Bank balances		12m ECL	40,498	21,394	14,585
Other receivables		12m ECL	2,004	2,253	13,001
Bills receivables		12m ECL	565	—	10,452
Trade receivables — contracts with customers	*Note 1*	Lifetime ECL (collective assessment)	93,293	86,362	153,080
Other items					
Contract assets	*Note 1*	Lifetime ECL (individual assessment)	37,437	250,405	390,661

The Company		12m or lifetime ECL	2023 Gross carrying amount *RMB'000*	2024 Gross carrying amount *RMB'000*	2025 Gross carrying amount *RMB'000*
Financial assets at amortised cost					
Restricted bank balances		12m ECL	1,070	1,869	4,909
Bank balances		12m ECL	40,263	20,956	14,371
Other receivables		12m ECL	1,999	2,236	12,857
Bills receivables		12m ECL	565	—	10,452
Amounts due from subsidiaries		12m ECL	6,712	8,213	8,907
Trade receivables — contracts with customers	*Note 1*	Lifetime ECL (collective assessment)	93,286	86,262	152,961
Other items					
Contract assets	*Note 1*	Lifetime ECL (individual assessment)	37,437	250,405	390,661

Note 1: The information about the credit risk exposure on the Group's trade receivables and contract assets is set out below.

As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment for its customers in relation to its operation with customers because these customers have common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

	Expected credit loss rate	2023 Gross amount of trade receivables *RMB'000*	ECL amount *RMB'000*	Expected credit loss rate	2024 Gross amount of trade receivables *RMB'000*	ECL amount *RMB'000*	Expected credit loss rate	2025 Gross amount of trade receivables *RMB'000*	ECL amount *RMB'000*
Within 1 year	2.48%	63,681	1,582	3.57%	54,111	1,934	10.34%	102,596	10,605
1 year to 2 years	7.49%	17,275	1,294	14.13%	11,711	1,655	17.63%	28,376	5,003
2 years to 3 years	23.44%	6,758	1,584	32.56%	12,030	3,917	42.49%	4,554	1,935
More than 3 years	33.98%	5,579	1,896	60.58%	8,510	5,155	71.86%	17,554	12,614
		93,293	6,356		86,362	12,661		153,080	30,157

Contract assets arising from contracts with customers with gross carrying amounts of RMB37,437,000, RMB250,405,000 and RMB390,661,000 respectively as at 31 December 2023, 2024 and 2025 were assessed individually. The average loss rates for contract assets are assessed to be ranging from approximately 0.45% to 1.57% during the Track Record Period.

The estimated credit loss rates are estimated based on past default experience of the debtors 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.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The management of the Group and the Company are satisfied that the Group and Company will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future by taking into account the Group and the Company's cash flow projection, and the Group and the Company's future capital expenditure in respect of its non-cancellable capital commitments, the management considers that the Group and the Company has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of each reporting period.

The following table details the Group and the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows. The table includes both interest and principal cash flows, where applicable.

The Group

	Weighted average interest rate	On demand or within 1 year *RMB'000*	1 to 2 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Total carrying amount *RMB'000*
As at 31 December 2023					
Non-interest bearing					
Trade and other payables	—	38,840	—	38,840	38,840
Interest bearing					
Bank borrowings	3.94%	92,245	—	92,245	91,077
As at 31 December 2024					
Non-interest bearing					
Trade and other payables	—	120,525	—	120,525	120,525
Interest bearing					
Bank borrowings	3.67%	81,549	—	81,549	80,100
As at 31 December 2025					
Non-interest bearing					
Amount due to a joint venture	—	1,756	—	1,756	1,756
Trade and other payables		216,949	—	216,949	216,949
Interest bearing					
Bank borrowings	3.13%	131,404	12,664	144,068	141,404

The Company

	Weighted average interest rate	On demand or within 1 year	1 to 2 years	Total undiscounted cash flows	Total carrying amount
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023					
Non-interest bearing					
Trade and other payables	—	38,836	—	38,836	38,836
Interest bearing					
Bank borrowings	3.94%	92,245	—	92,245	91,077
As at 31 December 2024					
Non-interest bearing					
Amounts due to subsidiaries	—	1,182	—	1,182	1,182
Trade and other payables	—	120,513	—	120,513	120,513
Interest bearing					
Bank borrowings	3.67%	81,549	—	81,549	80,100
As at 31 December 2025					
Non-interest bearing					
Amounts due to subsidiaries	—	691	—	691	691
Amount due to a joint venture	—	1,756	—	1,756	1,756
Trade and other payables	—	216,925	—	216,925	216,925
Interest bearing					
Bank borrowings	3.13%	131,404	12,664	144,068	141,404

38. FAIR VALUE MEASUREMENTS

The management of the Group have closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements of financial instruments. In estimating the fair value of financial instruments, the Group uses market-observable data to the extent it is available. The following table gives information about how the fair values of financial assets at FVTPL are determined (in particular, the valuation technique(s) and inputs used).

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost recognised in the Historical Financial Information approximate their fair values.

The Group and the Company

	Fair value As at 31 December			Fair value hierarchy	Valuation technique(s) and key input(s)
	2023	2024	2025		
	RMB'000	*RMB'000*	*RMB'000*		
Financial assets at FVTPL					
Unlisted money market funds	507	402	N/A	Level 2	Redemption value quoted by the relevant investment funds with reference to the underlying assets (mainly listed securities and bonds) of the fund

39. RELATED PARTY TRANSACTIONS

(a) The Group and the Company's amount due from/to a joint venture is unsecured, interest free and repayable on demand.

Relationships	Company name	Nature of transactions/balances	As at/For the year ended 31 December 2023	2024	2025
			RMB'000	*RMB'000*	*RMB'000*
Joint venture	Shanxi Cellular Optical Network Energy Technology Co., Ltd.	Purchase of construction service	—	826	6,606
		Amount due from a joint venture-prepayment (trade)	—	834	—
		Amount due to a joint venture-trade payment (trade) *(note)*	—	—	1,756

Note: The ageing of the balance of amount due to a joint venture as at 31 December 2025 is within one year.

(b) The Company's amounts due from/to subsidiaries are as follows:

	As at 31 December 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due from subsidiaries (non-trade)	6,712	8,213	8,907
Less: allowance for credit losses	(6,602)	(8,213)	(8,812)
	110	—	95
Amounts due to subsidiaries (trade) *(note)*	—	1,182	691

Note: The ageing of the balance of amounts due to subsidiaries as at 31 December 2024 and 2025 is within one year.

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank borrowings	**Amount due to controlling shareholder**	**Accrued issue costs**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	34,106	1,906	—	36,012
Financing cash flows	53,159	(1,906)	—	51,253
Non-cash change				
Finance costs recognised *(note 9)*	3,812	—	—	3,812
At 31 December 2023	91,077	—	—	91,077
Financing cash flows	(13,714)	—	—	(13,714)
Non-cash change				
Finance costs recognised *(note 9)*	2,737	—	—	2,737
At 31 December 2024	80,100	—	—	80,100
Financing cash flows	57,671	—	(783)	56,888
Non-cash change				
Finance costs recognised *(note 9)*	3,633	—	—	3,633
Accrued issue costs	—	—	1,300	1,300
At 31 December 2025	141,404	—	517	141,921

41. PLEDGE OF ASSETS

The Group's borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	14,014	13,376	12,738
Trade receivables	—	3,334	1,715
	14,014	16,710	14,453

42. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of each reporting period and at the date of this report are set out below.

Name of subsidiaries	Place and date of incorporation	Proportion of registered capital & equity interest attributable to the Group As at 31 December 2023	2024	2025	At date of this report	Paid up issued/ registered capital at date of this report	Principal activities
Zhuhai Henghai Comprehensive Energy Service Co., Ltd. (珠海市恒海綜合能源服務有限公司) *(Note i & Note v)*	PRC 31 Mar 2021	60%	60%	60%	60%	RMB2,000,000/ RMB2,000,000	Integrated energy business
Zhuhai Huacheng Electric Construction Co., Ltd. *(Note i & Note ii & Note v)*	PRC 27 May 2021	60%	60%	100%	100%	RMB520,000/ RMB1,000,000	Engineering survey and design
Hefei Yongchu New Energy Technology Co., Ltd. (合肥永儲新能源科技有限公司) *(Note i & Note v & Note vii)*	PRC 7 Aug 2025	—	—	100%	100%	—/RMB100,000	Energy storage technology services
Zhuhai Huacheng New Energy Development Co., Ltd. (珠海華成新能源開發有限公司) *(Note iii & Note v)*	PRC 29 Jul 2021	—	—	—	—	—/RMB2,000,000	Integrated energy business
Huazhou Henghua New Energy Technology Co., Ltd. (化州市恆化新能源科技有限公司) *(Note iv & Note vi)*	PRC 12 Mar 2024	—	—	—	—	—/RMB500,000	Integrated energy business

All the subsidiaries of the Company are limited liability companies. None of the subsidiaries had any debt securities outstanding as at 31 December 2023, 2024 and 2025 or at any time during the Track Record Period.

Notes:

i. No audited statutory financial statements were prepared for these subsidiaries for the Track Record Period as there are no statutory audit requirements.

ii. In June 2025, the Company entered into an equity transfer agreement to acquire an additional 40% equity interest in Zhuhai Huacheng Electric Construction Co., Limited at nil consideration.

iii. The subsidiary was deregistered during the year ended 31 December 2023.

iv. The subsidiary was set up and deregistered during the year ended 31 December 2024.

v. The subsidiaries are directly held by the Company.

vi. The subsidiary is indirectly held by the Company.

vii. The subsidiary was set up during the year ended 31 December 2025.

43. SHARE-BASED PAYMENT TRANSACTIONS

During the year ended 2022, the controlling shareholder has granted certain shares in two employee incentive platforms, which in turn hold shares of the Company, to certain employees of the Group. The participants of the employee incentive plan include directors, senior management and employees of the Group ("**Eligible Participants**"). Eligible Participants were granted with partnership interests in two employee incentive platforms. Vesting of incentive share awards depends on certain conditions including the satisfaction of both service-based and performance-based conditions,. In addition, the vesting of such shares is contingent upon the Company achieving a successful listing of shares on a stock exchange in the PRC ("**IPO**"). Unvested shares will be subject to right of repurchase by the platform's executive partner or a third-party designee appointed by the executive partner. The repurchase price will be the original consideration paid less and dividend received, if any. The Group did not recognise any share-based payment expenses for each of the three years ended 31 December 2025 since the directors of the conditions have not been satisfied or considered probable.

44. SUBSEQUENT EVENTS

On 27 April 2026, pursuant to the passing of a resolution in a shareholders' meeting of the Company, the registered share capital of the Company was divided from 44,015,999 shares of RMB1 each into 440,159,990 shares of RMB0.10 each.

Other than that, there were no significant events after 31 December 2025 that requires additional disclosures in or adjustments to the Historical Financial Information.

45. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company, its subsidiaries or the Group has been prepared in respect of any period subsequent to 31 December 2025.