



**Zhonggan Communication (Group) Holdings Limited**  
**中赣通信(集團)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
Stock Code : 2545

ANNUAL REPORT  
**2025**

# Contents

	Pages
Corporate Information	2
Financial Highlights	4
Chairman's Statement	5
Management Discussion and Analysis	9
Biographies of Directors and Senior Management	16
Directors' Report	22
Corporate Governance Report	39
Environmental, Social and Governance Report	58
Independent Auditor's Report	85
Consolidated Statement of Profit or Loss and Other Comprehensive Income	91
Consolidated Statement of Financial Position	92
Consolidated Statement of Changes in Equity	94
Consolidated Statement of Cash Flows	95
Notes to the Financial Statements	96

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Liu Haoqiong (*Chairman*)

Mr. Peng Shengqian

Ms. Xie Xiaolan

Mr. Liu Dingli

Mr. Liu Dingyi

Mr. Zhou Zhiqiang

### Independent Non-executive Directors

Mr. Yu Shiyong

Mr. Zhu Yugang

Mr. Zhao Hezhen (appointed on 27 June 2025)

Mr. Li Yinguo (retired on 27 June 2025)

## AUDIT COMMITTEE

Mr. Yu Shiyong (*Chairman*)

Mr. Zhu Yugang

Mr. Zhao Hezhen (appointed on 27 June 2025)

Mr. Li Yinguo (retired on 27 June 2025)

## NOMINATION COMMITTEE

Mr. Zhu Yugang (*Chairman*)

Mr. Yu Shiyong

Ms. Xie Xiaolan (appointed on 30 June 2025)

Mr. Liu Dingli (ceased to act on 30 June 2025)

## REMUNERATION COMMITTEE

Mr. Zhao Hezhen (*Chairman*)

(appointed on 27 June 2025)

Mr. Li Yinguo (*Chairman*) (retired on 27 June 2025)

Mr. Peng Shengqian

Mr. Yu Shiyong

**EXECUTIVE COMMITTEE** (established on 23 December 2025)

Mr. Liu Dingyi (*Chairman*)

(appointed on 23 December 2025)

Mr. Zhou Zhiqiang (appointed on 23 December 2025)

## AUTHORIZED REPRESENTATIVES FOR THE PURPOSE OF THE LISTING RULES

Mr. Liu Dingyi

Mr. Zhang Senquan (appointed on 17 July 2025)

Ms. Wong Wai Yee, Ella (resigned on 17 July 2025)

## JOINT COMPANY SECRETARIES

Mr. Liu Dingyi

Mr. Zhang Senquan (appointed on 17 July 2025)

Ms. Wong Wai Yee, Ella (resigned on 17 July 2025)

## AUDITOR

KPMG

Certified Public Accountants

*Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance*

8th Floor, Prince's Building

10 Chater Road, Central, Hong Kong

## LEGAL ADVISER (AS TO HONG KONG LAW)

Li & Partners

22nd Floor

World-Wide House

19 Des Voeux Road Central

Hong Kong

## COMPLIANCE ADVISER

Zhongtai International Capital Limited

19th Floor

Li Po Chun Chambers

189 Des Voeux Road Central

Central

Hong Kong

# Corporate Information (Continued)

## REGISTERED OFFICE

89 Nexus Way, Camana Bay  
Grand Cayman, KY1-9009  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN PRC

Room 101, Block 99  
2799 Tianxiang Avenue  
Nanchang Jiahai Industrial Park  
Nanchang High-tech Industrial Development Zone  
Nanchang City  
Jiangxi Province, the PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 02, 8/F  
Tung Che Commercial Centre  
246 Des Voeux Road West  
Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ogier Global (Cayman) Limited  
89 Nexus Way, Camana Bay  
Grand Cayman, KY1-9009  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

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

## PRINCIPAL BANKS

China Construction Bank Corporation, Nanchang Xihu Branch  
Bank of Communication Co., Ltd, Jiangxi Provincial Branch

## WEBSITE OF THE COMPANY

[www.gantongjt.com](http://www.gantongjt.com)

## STOCK CODE

2545

# Financial Highlights

The following is a summary of the annual financial results and the assets and liabilities of Zhonggan Communication (Group) Holdings Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) for the years ended 31 December 2021, 2022, 2023, 2024 and 2025.

The following is a summary of the published annual financial results and assets and liabilities of the Group for the last five financial years.

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>Results</b>					
Revenue	<b>460,281</b>	551,062	609,301	413,091	479,118
Profit from operations	<b>23,971</b>	38,828	86,692	54,272	52,399
Finance costs	<b>(20,358)</b>	(15,325)	(16,682)	(15,332)	(11,480)
Profit before taxation	<b>3,613</b>	23,503	70,010	38,940	40,919
Income tax credit/(expense)	<b>4,026</b>	(13,794)	(1,339)	(3,965)	(4,746)
Profit for the year	<b>7,639</b>	9,709	68,671	34,975	36,173
<i>Attributable to:</i>					
Equity shareholders of the Company	<b>7,639</b>	9,709	68,592	34,473	36,173
Non-controlling interests	<b>–</b>	–	79	502	–
Profit for the year	<b>7,639</b>	9,709	68,671	34,975	36,173

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
<b>Assets and liabilities</b>					
Non-current assets	<b>108,659</b>	92,492	93,917	95,685	98,354
Current assets	<b>1,399,973</b>	1,309,068	1,067,437	938,830	798,647
Current liabilities	<b>1,074,941</b>	975,878	1,031,170	845,341	769,397
Non-current liabilities	<b>2,148</b>	1,778	1,962	1,900	3,068
<b>NET ASSETS</b>	<b>431,543</b>	423,904	128,222	187,274	124,536
Total equity attributable to equity shareholders of the Company	<b>431,543</b>	423,904	128,222	185,256	124,536
Non-controlling interests	<b>–</b>	–	–	2,018	–
<b>TOTAL EQUITY</b>	<b>431,543</b>	423,904	128,222	187,274	124,536

# Chairman's Statement

Dear shareholders,

On behalf of the Board (the “**Board**”) of Directors (the “**Director(s)**”) of Zhonggan Communication (Group) Holdings Limited (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”).

## I. BUSINESS REVIEW

### (1) Business growth and market performance

In 2025, amid the increasingly fierce market competition and rapid technological iterations in the industry, all our employees had pooled wisdom and efforts to strive for progress. Leveraging the brand advantage as a listed company in Hong Kong and favourable customer word-of-mouth through years of intensive engagement in the communications sector, the Company achieved remarkable results in market expansion. In 2025, the number of successful bids went up by approximately 50% year-on-year compared to 2024, and the bid winning rate rose by about 40% year-on-year. The total bid-winning amount for the full year reached approximately RMB620 million, representing a substantial increase of 107% from RMB300 million in 2024, laying a solid foundation for the sustained and stable growth of the Company's business revenue in the coming years.

### (2) Financial performance

In the first half of 2025, affected by the cyclical fluctuations in project cycles within the industry, orders solicitation for Telecommunications Infrastructure Services experienced a relatively slowdown. Coupled with the impact of the macroeconomic environment on projects related to digital transformation solutions services, the operating performance of the Company had encountered pressure. During the first half of the year, revenue decreased by RMB77.6 million compared to the same period in 2024, representing a year-on-year decline of 32.7%.

In the second half of 2025, with the orders in hand as well as the newly bid-winning projects, the management of the Company actively facilitated orders implementation and projects execution, resulted in gradual improvement in operating conditions and downward performance trend effectively mitigated. In 2025, the Company achieved a revenue of approximately RMB460.3 million, representing a decrease of RMB90.8 million or a year-on-year decline of 16.5%, compared to approximately RMB551.1 million in 2024. Costs and expenses have been kept under better control due to a reduction in post-listing expenditure and the implementation of reform measures such as streamlined operations and initiatives to improve quality and efficiency by the Company. In 2025, net profit was approximately RMB7.6 million, a decrease of approximately RMB2.1 million or a year-on-year drop of 21.3%, from the net profit of approximately RMB9.7 million in 2024.

# Chairman's Statement (Continued)

## (3) Corporate Core Competitiveness

1. **Technological R&D and Innovation Capability:** The Company continued to increase its investments in R&D and intensified technological breakthroughs in the cutting-edge fields such as telecommunications infrastructure technology, big data, and artificial intelligence. It constantly strengthened the technological advantages in the telecommunications industry, actively seized the opportunities brought by AI-driven industrial transformation, and continuously enhanced its core technological competitiveness.
2. **Customer Word-of-mouth and Social Responsibility:** The Company has always been customer-centric and responded operators' various service requirements with high efficiency. Leveraging its professional service capabilities, the Company proactively participated in various disaster relief operations on many occasions, earning numerous honorary titles such as the Excellent Cooperation Unit and receiving commendation letters from operators, with customer recognition and market reputation continued to flourish. At the same time, the Company actively fulfills its corporate social responsibility by conducting long-standing public welfare donation activities, consistently supporting the development of impoverished areas in Xinjiang, and providing donation support for fire calamity relief in Hong Kong, demonstrating its corporate responsibility and commitment.
3. **Operational Management and Risk Resilience Capability:** The Company continued to deepen its organizational structure optimization and management reform, streamlined workflows, strengthened cost control and resources deployment, and steadfastly adhered to revenue expansion, cost reduction and refined operations. These have effectively enhanced the Company's overall operation efficiency and resilience against market volatility risks.

# Chairman's Statement (Continued)

## II. OUTLOOK

Looking ahead, the global wave of digital transformation is taking the world by storm, China's "new infrastructure" strategy is propelling vigorously, and the construction demands in sectors such as 5G network upgrades and artificial intelligence will continue to unfold, opening up a broader development blueprint for the communication technology services and information integration industry. As a listed company in Hong Kong deeply rooted in this field, the Company leverages its flexible and efficient operational advantages as a small-to-medium-sized listed company. By seizing the benefits of industry development, and building upon the substantial bid-winning reserve accumulated in 2025 as a solid foundation, it spares no effort to promote project implementation and revenue recognition, thereby ensuring the restorative growth of our business.

In the business development front, we will continue to focus on core clients, telecommunication operators, deepen collaboration cohesion, while actively exploring new business scenarios such as the AI sector to broaden revenue streams. In the technological R&D segment, we will further increase our investments in key areas, including cutting-edge telecommunications infrastructure technologies, big data analysis, and AI algorithm optimization. We will establish professional R&D teams to overcome core technical challenges, driving the deep integration of technological achievements with client needs to upgrade service offerings through technological innovation. For operations management, we will persistently optimize organizational structure and business processes, strengthen full life-cycle project management and lean cost management and control, and enhance resources utilization efficiency. Through refined operations, we aim to withstand industry cyclical fluctuations and competitive market pressures.

Simultaneously, we will fully leverage the advantages of our platform as a Hong Kong-listed company, actively explore capital operation models such as industrial mergers and acquisitions and strategic collaborations, integrate high-quality resources within the industry, address core capability gaps, and accelerate scale expansion and industrial upgrading. We firmly believe that, against the backdrop of a thriving digital economy, through the concerted efforts of all our employees and the unwavering support of our partners, the Company will overcome challenges, seize opportunities, and gradually grow to become the industry benchmark enterprise characterized by technological leadership, premier service quality, and stable performance, thereby delivering long-term and consistent investment returns to our shareholders.

# Chairman's Statement (Continued)

## III. CONCLUSION

2025 was a year in which the Company faced challenges head-on and moved forward with resilience. These achievements would not have been possible without the diligent contributions of all our employees, the long-standing trust of valued customers, the steadfast support of shareholders, and the invaluable assistance from all sectors of society. As the Chairman, on behalf of the Board of Directors, I would like to express our heartfelt and sincere gratitude to everyone of you. Embarking on a new journey, we will stay true to our original aspiration, and diligently fulfill our duties. With greater determination, more pragmatic measures, and a more open mindset, we will continue to enhance our corporate value and core competitiveness, actively fulfill social responsibilities, and strive to reward shareholders, give back to customers, and contribute to society with stable operating performance. Together with all our stakeholders, we are committed to creating a brighter future.

**Liu Haoqiong**

*Chairman and Executive Director*

Hong Kong, 30 March 2026

# Management Discussion and Analysis

## BUSINESS REVIEW

### OVERVIEW

The Company was successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 3 July 2024 (the “**Listing Date**”). The Group is a reputable integrated service provider and software developer headquartered in Jiangxi Province of the People’s Republic of China (the “**PRC**”) and focuses on the provision of Telecommunications Infrastructure Services and Digitalisation Solution Services in the PRC.

### TELECOMMUNICATIONS INFRASTRUCTURE SERVICES

The customers of the Group’s Telecommunications Infrastructure Services mainly include telecommunications network operators, telecommunications tower infrastructure service providers, local governments, quasi-government institutions and state-owned enterprises. The Group’s main business models for Telecommunications Infrastructure Services are:

1. Infrastructure Construction Services mainly involve the construction, adaptation and installation works of network infrastructure along the entire telecommunications network, such as base stations and auxiliary facilities engineering services, power grid connection services, cable installation services, access network related services and wireless network equipment installation services.
2. Infrastructure Maintenance Services mainly involve carrying out routine basic maintenance, repairs and restoration works and emergency trouble-shooting to the telecommunications infrastructure located across rural and urban areas in the PRC.

### DIGITALISATION SOLUTION SERVICES

The Digitalisation Solution Services consist of Integrated Solution Services, System Maintenance Services and Software Solution Services, and aim to improve the operational efficiency and productivity of its customers through incorporating digital technologies such as internet of things, cloud computing, big data, discriminative artificial intelligence and blockchain to enable the integration of various hardware and software systems under a unified platform. The Group’s main business models for Digitalisation Solution Services are:

1. Integrated Solution Services generally provide turnkey solutions through (i) system design planning; (ii) supply of hardware and software and installation and integration services; and (iii) provision of after-sale services such as technical support services, which primarily involve the provision of a comprehensive digitalisation solution that includes all the necessary hardware and software components in a single package.
2. System Maintenance Services mainly include commissioned technical support and maintenance services for the hardware and software systems delivered under its Integrated Solution Services projects. System Maintenance Services generally include (i) day-to-day system and network maintenance and data back-up support services; (ii) 24/7 technical support and consulting services; (iii) system migration solution services; and (iv) emergency trouble shooting services.
3. Software Solution Services focus on (i) sale of self-developed software; and (ii) delivering customised software development services.

# Management Discussion and Analysis (Continued)

## FINANCIAL OVERVIEW

### Revenue

The Group derives revenue mainly from Telecommunications Infrastructure Services and Digitalisation Solution Services.

The following table sets out a breakdown of revenue by business scope for the years indicated:

	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
<b>Revenue from Telecommunications</b>				
<b>Infrastructure Services</b>	<b>445,258</b>	<b>96.7</b>	510,700	92.7
– Infrastructure Construction Services	<b>418,057</b>	<b>90.8</b>	474,822	86.2
– Infrastructure Maintenance Services	<b>27,201</b>	<b>5.9</b>	35,878	6.5
<b>Revenue from Digitalisation</b>				
<b>Solution Services</b>	<b>13,180</b>	<b>2.9</b>	40,362	7.3
– Integrated Solution Services	<b>11,927</b>	<b>2.6</b>	812	0.2
– System Maintenance Services	<b>517</b>	<b>0.1</b>	7,870	1.4
– Software Solution Services	<b>736</b>	<b>0.2</b>	31,680	5.7
<b>Revenue from other sources</b>	<b>1,843</b>	<b>0.4</b>	–	–
<b>Revenue</b>	<b>460,281</b>	<b>100.0</b>	551,062	100.0

The Group's revenue decreased by RMB90.8 million from RMB551.1 million for the year ended 31 December 2024 to RMB460.3 million for the Reporting Period. The decrease in revenue was mainly due to the decrease in revenue from Telecommunications Infrastructure Services and Digitalisation Solution Services by RMB65.4 million and RMB27.2 million, respectively.

The Group's revenue from Telecommunications Infrastructure Services decreased by RMB65.4 million from RMB510.7 million for the year ended 31 December 2024 to RMB445.3 million for the Reporting Period. It was mainly due to the decrease in number of orders for Telecommunications Infrastructure Services during the first half of the year, a situation influenced by the cyclical fluctuations within the industry projects.

The Group's revenue from Digitalisation Solution Services decreased by RMB27.2 million from RMB40.4 million for the year ended 31 December 2024 to RMB13.2 million for the Reporting Period. The decrease in revenue was mainly due to the decrease in the numbers of projects in relation to Software Solution Services.

During the Reporting Period, the Group recorded gross rentals from investment properties of RMB1.8 million.

# Management Discussion and Analysis (Continued)

## Cost of sales

The Group's cost of sales decreased by RMB53.1 million from RMB444.8 million for the year ended 31 December 2024 to RMB391.7 million for the Reporting Period. The decrease in cost of sales was in line with the decrease in revenue.

## Gross profit and gross profit margin

The following table sets out a breakdown of the gross profit and gross profit margin during the years indicated by business segments:

	For the year ended 31 December			
	2025	Gross profit margin	2024	Gross profit margin
	Gross profit RMB'000	%	Gross profit/(loss) RMB'000	%
<b>From Telecommunications</b>				
<b>Infrastructure Services</b>	<b>64,425</b>	<b>14.5</b>	73,022	14.3
– Infrastructure Construction Services	<b>58,652</b>	<b>14.0</b>	64,105	13.5
– Infrastructure Maintenance Services	<b>5,773</b>	<b>21.2</b>	8,917	24.9
<b>From Digitalisation Solution Services</b>	<b>3,109</b>	<b>23.6</b>	33,205	82.3
– Integrated Solution Services	<b>2,722</b>	<b>22.8</b>	(142)	(17.5)
– System Maintenance Services	<b>266</b>	<b>51.5</b>	1,735	22.0
– Software Solution Services	<b>121</b>	<b>16.5</b>	31,613	99.8
From Other Sources	<b>1,002</b>	<b>54.4</b>	–	–
<b>Total gross profit and overall gross profit margin</b>	<b>68,536</b>	<b>14.9</b>	106,227	19.3

The Group's gross profit decreased by RMB37.7 million from RMB106.2 million for the year ended 31 December 2024 to RMB68.5 million for the Reporting Period, which was in line with the decrease in the revenue.

During the Reporting Period, the Group's gross profit margin decreased by 4.4 percentage points compared to 2024, mainly due to the decrease in revenue from Digitalisation Solution Services which typically contributed a relatively higher gross profit margin. Gross profit from Digitalisation Solution Services decreased from RMB33.2 million for the year ended 31 December 2024 to RMB3.1 million for the Reporting Period, thereby leading to a decline in the overall gross profit margin. Meanwhile, the gross profit margin of the Telecommunications Infrastructure Services, which constitute the Company's main revenue source, remained stable.

# Management Discussion and Analysis (Continued)

## Other net income

The Group's other net income increased by RMB1.5 million from RMB7.2 million for the year ended 31 December 2024 to RMB8.7 million for the Reporting Period. The increase in other net income was mainly due to the increase in the government policy grants received.

## Selling expenses

The Group's selling expenses remained stable from RMB3.5 million for the year ended 31 December 2024 to RMB3.4 million for the Reporting Period.

## Administrative expenses

The Group's administrative expenses decreased by RMB11.6 million from RMB26.1 million for the year ended 31 December 2024 to RMB14.5 million for the Reporting Period. The decrease in administrative expenses was mainly due to a reduction of RMB9.3 million in professional service and consulting fees following the successful listing, as well as a drop in daily operating expenses resulting from the Company's refined operations.

## Research and development expenses

The Group's research and development expenses decreased by RMB9.6 million from RMB25.7 million for the year ended 31 December 2024 to RMB16.1 million for the Reporting Period. The decrease in research and development expenses was primarily due to the Company's focus on the initial stages of the research and development in telecommunications infrastructure technology and the AI field in 2025, which led to a reduction in research and development related to original software solution services.

## Impairment losses on trade receivables and contract assets

The Group's impairment losses on trade receivables and contract assets remained stable from RMB19.2 million for the year ended 31 December 2024 to RMB19.3 million for the Reporting Period.

## Finance costs

The Group's finance costs increased by RMB5.1 million from RMB15.3 million for the year ended 31 December 2024 to RMB20.4 million for the Reporting Period. The increase in finance costs was mainly due to the increase in interest on bank borrowings as a result of higher average balances on bank borrowings for the Reporting Period.

## Profit before taxation

The Group's profit before taxation decreased by RMB19.9 million from RMB23.5 million for the year ended 31 December 2024 to RMB3.6 million for the Reporting Period. The decrease in profit before taxation was mainly due to the decrease in revenue.

# Management Discussion and Analysis (Continued)

## Income tax expense

The Group changed from an income tax expense of RMB13.8 million for the year ended 31 December 2024 to an income tax credit of RMB4.0 million for the Reporting Period, which was primarily due to the decrease in one-off corporate income tax and the increase in future creditable corporate income tax resulting from impairment losses.

## Profit for the year

The Group's profit for the year decreased by RMB2.1 million from RMB9.7 million for the year ended 31 December 2024 to RMB7.6 million for the Reporting Period. Such a decrease in the Group's profit for the Reporting Period was primarily due to the decrease in revenue.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash flow

The Group's net cash used in operating activities for the Reporting Period was approximately RMB246.4 million, which was primarily attributable to its profit before tax of approximately RMB3.6 million as adjusted for non-cash and non-operating items of approximately RMB42.7 million, net cash outflows from changes in working capital of approximately RMB278.1 million and income tax paid of approximately RMB14.7 million, including RMB13.2 million for the cancellation of the income tax preferential policy. Adjustments for cash and non-operating items primarily included interest expenses of approximately RMB20.4 million, depreciation charges of approximately RMB3.5 million and impairment losses recognised of approximately RMB19.3 million. Net cash outflows from changes in working capital primarily resulted from the increase in contract assets of approximately RMB225.0 million, which was due to delays in the final review by the Group's customers, and the decrease in trade and other payables of approximately RMB90.2 million.

The Group's net cash used in investing activities for the Reporting Period was approximately RMB0.2 million, which was primarily attributable to the net cash used in the purchases and disposals of property, plant and equipment of RMB0.7 million, and a cash inflow of RMB0.5 million from interest income on bank deposits.

The Group's net cash generated from financing activities for the Reporting Period was approximately RMB148.5 million, which was primarily attributable to the combined effect of bank borrowings of approximately RMB564.4 million; repayment of bank borrowings of approximately RMB373.0 million; and cash outflow of interest payments of approximately RMB20.2 million; and the pledged bank deposit increased by RMB22.5 million.

### Net current assets

As at 31 December 2025, the net current assets of the Group amounted to RMB325.0 million, while the net current assets as at 31 December 2024 amounted to RMB333.2 million, mainly due to the increase in current assets of RMB90.9 million and the increase in current liabilities of RMB99.1 million. Current assets were mainly due to the increase in contract assets of RMB219.7 million, decrease in trade and other receivables of RMB54.5 million, increase in restricted bank deposits of RMB23.7 million, and decrease in cash and cash equivalents of RMB98.1 million. Current liabilities were mainly due to the decrease in trade and other payables of RMB89.9 million and increase in bank borrowings of RMB191.6 million.

# Management Discussion and Analysis (Continued)

## Cash and bank balances and borrowings

The majority of the Group's cash and cash equivalents are denominated in Renminbi. The Group's cash and bank balances amounted to RMB36.8 million as at 31 December 2025, representing a decrease of RMB98.1 million from RMB135.0 million as at 31 December 2024, which was primarily attributable to the combined effect of the net cash outflow of approximately RMB246.4 million from operating activities and the net cash inflow of approximately RMB148.5 million from financing activities.

As at 31 December 2025, the Group's total bank loans were approximately RMB565.0 million, comprising: (i) RMB63.1 million, bearing an annual interest rate of 5.44% and repayable within one year; (ii) RMB102.1 million, bearing an annual interest rate of 4.25% and repayable within one year; (iii) RMB190.2 million, bearing an annual interest rate of 3.2% and repayable within one year; (iv) RMB157.6 million, bearing an annual interest rate of 4.37% and repayable within one year; (v) RMB37.0 million, bearing an annual interest rate of 3.50% and repayable within one year; (vi) RMB10.0 million, bearing an annual interest rate of 2.90% and repayable within one year; and (vii) RMB5.0 million, bearing an annual interest rate of 3.00% and repayable within one year.

As disclosed in note 20 to the consolidated financial statements, the Group did not comply with the loan covenants which require the gearing ratio of Zhonggan Communication (Group) Co., Ltd\* (中赣通信(集團)有限公司), a company established in the PRC with limited liability on 23 May 2002 and an indirect wholly-owned subsidiary of the Company, to be not more than 65% for a period of three consecutive months or more. On 25 June 2024, 25 March 2025 and 27 February 2026, the Group obtained waivers from the relevant bank which confirmed that, despite of such breach, the existing bank borrowings granted will remain valid for the remaining term.

## Gearing ratio

As at 31 December 2025, the gearing ratio (total borrowings divided by total equity) of the Group was 1.3 times (31 December 2024: 0.9 times). The increase in gearing ratio was mainly due to the increase in balances on bank borrowings of the Group.

## Capital structure

The share capital of the Company consists of ordinary shares only. As at 31 December 2025, the issued share capital of the Company is HK\$64,000,000 comprising 640,000,000 shares of HK\$0.1 each.

## Treasury policies

The Group pursues a prudent treasury management policy and actively manages its liquidity position to cope with daily operations and any demands for capital for future development. Also, the Group actively reviews and manages its capital structure on a regular basis to maintain the advantages and security of a strong capital position and adjust the capital structure in response to the changes in economic conditions.

## Foreign exchange risk

The Group operates in PRC with most of our monetary assets and liabilities and transactions principally denominated in RMB. We do not have significant exposure to foreign currency risks.

# Management Discussion and Analysis (Continued)

## Capital commitments

The Group had no capital commitments for the Reporting Period.

## Contingent liabilities

As at 31 December 2025, the Group had no contingent liabilities.

## Pledge of assets

As at 31 December 2025, the carrying value of the Group's property, plant and equipment, investment properties, trade receivables and contract assets, and bank deposits pledged for bank borrowings and bank facilities was approximately RMB1,168.9 million (31 December 2024: RMB991.6 million).

## Significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures

During the Reporting Period and up to the date of this report, the Group did not make any significant investments, material acquisitions and disposal of subsidiaries, associates and joint ventures by the Group.

## Future plans for material investments

As at the date of this report, the Group did not have any other future plans for material investments or acquisition of capital assets.

## Employee and remuneration policy

As at 31 December 2025, the Group had 189 employees (31 December 2024: 218 employees). Total staff costs (including directors' remuneration) for the Reporting Period amounted to RMB20.6 million (2024: RMB26.7 million). The Group recruits personnel from the open market, mainly based on a range of factors, including but not limited to their working experience, technical knowledge and educational background. To facilitate the recruitment of employees, the Group strives to offer competitive salaries and benefits to its employees and has policies in place to ensure that the salaries and bonuses of its employees are reviewed periodically and are competitive and in line with their performances. In respect of employee training, the Group provides its new and existing employees with relevant job training from time to time which covers health and safety and operational procedures. Where there are new industry regulations or the Group adopts or amends its policies and operating guidelines which its employees are required to adhere to, it may also provide supplemental training to its employees.

## Share Option Scheme

To attract and retain the most suitable personnel for the development of the Group, the Group adopted a Share Option Scheme on 17 June 2024. Share options may be granted to eligible employees of the Group as a long-term incentive. Since the date of adopting the Share Option Scheme and up to the date of this report, no share options have been granted or agreed to be granted under the Share Option Scheme.

# Biographies of Directors and Senior Management

## EXECUTIVE DIRECTORS

**Mr. Liu Haoqiong (劉皓瓊)**, aged 56, is the chairman of the Board (“**Chairman**”) and an executive Director of the Company. Mr. Liu Haoqiong is responsible for the overall management and business strategies of the Group, and serves as the manager of the Group’s principal operating subsidiary, Zhonggan Communication (Group) Co., Ltd\* (中贛通信(集團)有限公司) (“**Zhonggan Communication**”). Mr. Liu Haoqiong is the father of Mr. Liu Dingli and Mr. Liu Dingyi, the executive Directors of the Company.

Mr. Liu Haoqiong has over 20 years of experience in the telecommunications infrastructure industry. From August 2001 to November 2016, Mr. Liu Haoqiong was the legal representative of Nanchang Changjiang Electric Power Engineering Installation Co., Ltd.\* (南昌市長江電力工程安裝有限公司), a company principally engaged in sale and installation of electronic equipment. From May 2002 to July 2025, Mr. Liu Haoqiong was the general manager of Zhonggan Communication and he has served as the manager of Zhonggan Communication since October 2025. From May 2002 to March 2025, Mr. Liu Haoqiong was the chairman and a director of Zhonggan Communication.

In November 2012, Mr. Liu Haoqiong obtained the qualification of engineer in telecommunications infrastructure from the Office of Competency of Fuzhou\* (撫州市職稱工作辦公室), Jiangxi Province, the PRC. Further, in June 2015, Mr. Liu Haoqiong obtained the qualification in lightning protection work from the China Meteorological Administration (中國氣象局).

Mr. Liu Haoqiong graduated from the Nanchang University in July 1992, where he majored in communication and information systems. In January 2020, Mr. Liu Haoqiong graduated from China University of Petroleum-Beijing, where he majored in computer science and technology through online courses. In December 2021, Mr. Liu Haoqiong completed the Advanced Business Management Program at MBA School of Education of Jiangxi University of Finance and Economics.

**Mr. Peng Shengqian (彭聲謙) (“Mr. Peng”)**, aged 62, is an executive Director and a member of the Remuneration Committee of the Company. He has been the person-in-charge of the Shanghai branch office of Zhonggan Communication since January 2020. Mr. Peng is mainly responsible for management of the marketing development and overseeing research and development of the Group.

From 2001 to 2005, Mr. Peng served as the deputy general manager of Zhejiang Tiantong Electronics Co., Ltd\* (浙江天通電子股份有限公司) (currently known as TDG Holding Co., Ltd (天通控股股份有限公司)), a company listed on the Shanghai Stock Exchange (Stock Code: 600330). From September 2007 to April 2011, he served as the deputy general manager of Jiangsu Zhongtian Technology Co., Ltd.\* (江蘇中天科技股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600522), as well as the deputy general manager of technology division and general manager of broadcast and network division. From April 2011 to February 2012, he served as the sales director of Tongding Interconnection Information Co., Ltd.\* (“**Tongding Interconnection**”) (通鼎互聯信息股份公司, a company listed on the Shenzhen Stock Exchange (Stock Code: 002491)). From March 2012 to December 2014, he served as deputy general manager of Tongding Group Co., Ltd.\* (通鼎集團有限公司). From May 2015 to June 2019, he served as the deputy general manager of Tongding Interconnection. From February 2020 to March 2025, he has served as a director of Zhonggan Communication.

## Biographies of Directors and Senior Management (Continued)

Mr. Peng obtained the qualification of senior engineer in electronic engineering awarded by the Department of Human Resources of Zhejiang Province, the PRC, in June 2002. He was qualified as a registered career manager by the China Enterprise Evaluation Association (中國企業評價協會) in January 2007.

Mr. Peng graduated from China University of Geosciences (中國地質大學) in Beijing, the PRC with a bachelor's degree in petrology and a master degree in science, both in June 1997.

**Ms. Xie Xiaolan (謝小蘭) (“Ms. Xie”)**, aged 65, is an executive Director and a member of the Nomination Committee of the Company, and has served various positions within the Group.

Ms. Xie has over 18 years of experience in the telecommunications infrastructure industry. From October 2003 to August 2016, she served as the deputy general manager of Zhonggan Communication. Since January 2014, she also served as director of the production department of Zhonggan Communication and is responsible for business development of the infrastructure market and management of production. Further, since August 2016, she served as the assistant to the general manager of Zhonggan Communication. From August 2016 to March 2025, Ms. Xie was a director of Zhonggan Communication. From August 2022 to April 2025, Ms. Xie was the director and manager of Gantong Communication (Jiangxi) Company Limited (贛通通信(江西)有限公司).

Ms. Xie received the certification in enterprise cadre recruitment from the Ministry of Human Resources of Nanchang, Jiangxi Province, the PRC in November 1993.

**Mr. Liu Dingli (劉鼎立)**, aged 35, is an executive Director of the Company. Mr. Liu Dingli is a son of Mr. Liu Haoqiong and the elder brother of Mr. Liu Dingyi, both of whom are executive Directors of the Company.

From June 2017 to November 2017, Mr. Liu Dingli served as the director of the internet technology operation department of Zhonggan Communication. From November 2017 to September 2020, he served as the general manager of Jiangxi Gelapu Technology Company Limited (“**GLP Technology**”), a subsidiary of the Company. From September 2020 to February 2025, he served as the executive director, general manager and legal representative of GLP Technology. From February 2020 to March 2025, he served as a director of Zhonggan Communication, and from February 2022 to February 2025, he served as the executive director, general manager and legal representative of Jiangxi Gelapu Software Company Limited (“**GLP Software**”), a subsidiary of the Company.

Mr. Liu Dingli received a bachelor of arts degree in hospitality and tourism management in December 2011 and a master of science in international hospitality management and leadership in March 2013, both from Queen Margaret University in Edinburgh, Scotland.

**Mr. Liu Dingyi (劉鼎議)**, aged 30, is an executive Director, the chairman of the Executive Committee and a joint company secretary of the Company and is responsible for overseeing legal and compliance activities of the Group. Since May 2020, Mr. Liu Dingyi has been the assistant to the general manager of the securities and legal department of Zhonggan Communication. From March 2022 to March 2025, Mr. Liu Dingyi served as a director of Zhonggan Communication. Mr. Liu is the son of Mr. Liu Haoqiong and the younger brother of Mr. Liu Dingli, both of whom are executive Directors of the Company.

Mr. Liu Dingyi graduated from Monash University, Australia, in May 2020 with a Bachelor of Business, with a major in banking and finance.

## Biographies of Directors and Senior Management (Continued)

**Mr. Zhou Zhiqiang (周志強) (“Mr. Zhou”)**, aged 43, is an executive Director and a member of the Executive Committee of the Company and the Group’s chief financial officer. Since February 2025, Mr. Zhou has been serving as the director and general manager of GLP Technology and GLP Software. Mr. Zhou has over 17 years of experience in financial management. From July 2005 to July 2008, Mr. Zhou served as the accountant of Jiangxi Chenming Paper Co., Ltd. (江西晨鳴紙業有限責任公司), a subsidiary of Shandong Chenming Paper Holdings Co., Ltd.\* (山東晨鳴紙業集團股份有限公司), a company listed on the Stock Exchange (Stock Code: 01812) and the Shenzhen Stock Exchange (Stock Code: 000488). From August 2008 to July 2017, he served as the finance manager of Jiangxi Weidahui Real Estate Development Co., Ltd.\* (江西省威達匯房地產開發有限公司). Since August 2017, he has been the chief financial officer of Zhonggan Communication. Mr. Zhou obtained bachelor’s degree in accountancy from Jiangxi University of Finance and Economics in June 2005.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Yu Shiyong (余世勇) (“Mr. Yu”)**, aged 63, was appointed as an independent non-executive Director of the Company on 17 June 2024. He is also the chairman of the Audit Committee and the members of each of the Nomination Committee and the Remuneration Committee of the Company. He has been an independent director of Zhonggan Communication from October 2020 to March 2025.

Mr. Yu has more than 12 years of experience in accounting and financial management. From September 1999 to October 2002, he served as the finance director of Fujian Mindong Electric Power Co., Ltd.\* (福建閩東電力股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 000993). During his tenure, he was mainly responsible for accounting, financial information disclosure and comprehensive financial management of the listed company. In particular, Mr. Yu was responsible for the company’s restructuring, initial public offering and A-share issuance. From January 2003 to September 2006, he served as the chief financial director of Shandong Chenming Paper Holdings Co., Ltd.\* (山東晨鳴紙業集團股份有限公司), a company listed on the Stock Exchange (Stock Code: 01812) and the Shenzhen Stock Exchange (Stock Code: 000488), where he was mainly responsible for internal control and fiscal and taxation management of the listed company. In light of his corporate management and financial management expertise, Mr. Yu served as the financial person in charge in relation to compliance for the company’s quarterly, semi-annual and annual financial information disclosure. From May 2010 to June 2013, he was the vice president of Xtep (China) Co., Ltd.\* (特步(中國)有限公司), a subsidiary of XTep International Holdings Limited (特步國際控股有限公司), a company listed on the Stock Exchange (Stock Code: 01368), where he was primarily responsible for the financial and capital management of the listed company and its PRC subsidiaries. Since April 2020, he has been serving as the executive director and general manager of Xiamen Litu Enterprise Management Consulting Co., Ltd.\* (廈門利兔企業管理諮詢有限公司), where he is responsible for the business operation and financial management of the company. Given his professional experience, Mr. Yu has been crucial in establishing the company’s financial management and tax planning system. As part of his role at the company, Mr. Yu has been working with central state-owned listed companies and both large and medium-sized private enterprises as their business training instructor, where he provided training courses regarding investment and financing, internal control, risk management, and financial and taxation management. His training courses aimed to enhance the corporate, fiscal and taxation management of the client companies. From November 2016 to the present, Mr. Yu has also served as a guest lecturer at the School of Accountancy of the Central University of Finance and Economics\* (中央財經大學).

## Biographies of Directors and Senior Management (Continued)

In December 1997, Mr. Yu qualified as a senior accountant by Personnel and Labour Department of Ningxia Hui Autonomous Region\* (寧夏回族自治區人事勞動廳). In October 2020, Mr. Yu received the Certificate for Strategic Financial Management issued by the Enterprise Financial Management Association of China. In 2006, Mr. Yu obtained the Sino-British Vocational Qualifications Cooperation Project Certificate issued by the Occupation Skill Testing Authority (職業技能鑒定中心) and the China Employment Training Technical Instruction Centre (中國就業培訓技術指導中心), which certified that Mr. Yu has skill of Cambridge International Diploma in Management – Financial Management (Module Certificate) in Higher Professional Level. He was also awarded the certificate of qualification of independent director issued by the Shanghai Stock Exchange in April 2017. In June 2013, Mr. Yu obtained certification as taxpay strategist by the Chinese Society of Educational Development Strategy. Mr. Yu received the Certificate of Qualification for CFO Enterprise Management Post issued by China Enterprise Confederation in September 2006. In August 2006, Mr. Yu obtained qualification as Chief Financial Officer (CFO) for managerial position of China Enterprise Confederation from the CTA Testing Authority.

Mr. Yu obtained a master's degree in business administration from Stratford University in June 2005. Mr. Yu obtained a PhD in business administration from the Business School at Beijing Normal University (北京師範大學經濟與工商管理學院) in October 2013.

**Mr. Zhu Yugang (朱玉鋼) ("Mr. Zhu")**, aged 56, was appointed as an independent non-executive Director of the Company on 17 June 2024. He is also the chairman of the Nomination Committee and a member of the Audit Committee of the Company. He has been an independent director of Zhonggan Communication from October 2020 to March 2025.

From May 2009 to June 2014, Mr. Zhu served as the chief lawyer of Jiangxi Hua Gan Law Firm\* (江西華贛律師事務所). Since June 2014, he served as the senior partner of Jiangxi Hua Gan Law Firm\* (江西華贛律師事務所).

Mr. Zhu is currently a practicing lawyer in the PRC and a member of the Chinese People's Political Consultative Conference National Committee of Xihu District, of Nanchang Municipal.

Mr. Zhu received a bachelor of laws degree from China Central Radio and TV University (中央廣播電視大學) (currently known as The Open University of China (國家開放大學)) in Beijing, the PRC in November 2004.

**Mr. Zhao Hezhen (趙和震) ("Mr. Zhao")**, aged 59, was appointed as an independent non-executive Director of the Company on 27 June 2025. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Mr. Zhao has over 35 years of experience in the telecommunications infrastructure industry. He has been working as the legal representative and director of Nanchang Xiaokai Technology Co., Ltd.\* (南昌小開科技有限公司) since September 2021. Mr. Zhao worked in Nanchang Telecommunications Bureau\* (南昌電信局) from August 1988 to August 1998 and his last position was the deputy director of operation and maintenance department and director of network management center. He was then deployed to the market operation department of Jiangxi Post and Telecommunications Administration Bureau\* (江西郵電管理局) in September 1998 for the construction of long-distance billing and settlement system in Jiangxi Province. Mr. Zhao returned to Nanchang Telecommunications Bureau\* (南昌電信局) as deputy director in September 1999. In September 2002, he was appointed as the director of the marketing operation department of Jiangxi Telecom Company\* (江西省電信公司). He then served as the general manager of Yingtan Telecom Company\* (鷹潭市電信公司) in 2004 and the deputy general manager of Jiangxi Netcom Company\* (江西省網通公司) in 2006. After the restructuring of the PRC telecommunications industry in 2008, Mr. Zhao worked for China Unicom Group Co., Ltd. from late 2008 to August 2017 and his last position was discipline inspection commission secretary of Hunan branch. Mr. Zhao was the general manager of Shenzhen branch of Jiangxi Shangtong Technology Development Co., Ltd.\* (江西尚通科技發展有限公司) from September 2017 to August 2019.

## Biographies of Directors and Senior Management (Continued)

Mr. Zhao graduated from Beijing College of Posts and Telecommunications\* (北京郵電學院) (currently known as Beijing University of Posts and Telecommunications) in 1988 with the major in computer and communications.

### CHANGES IN INFORMATION OF DIRECTOR(S) UNDER RULE 13.51B(1) OF THE LISTING RULES

The changes in the information of the directors of the Company since the publication of the 2025 interim report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules up to the date of this report is set out below:

- Mr. Liu Haoqiong was appointed as the manager of Zhonggan Communication (Group) Co., Ltd\* (中贛通信(集團)有限公司) with effect from 14 October 2025.

Save as disclosed above, there is no other information of the Directors that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### SENIOR MANAGEMENT

**Mr. Liu Haoqiong (劉皓瓊)**, aged 56, is the Chairman and an executive Director of the Company. Please see “Executive Directors” in this section for his biographical details.

**Mr. Tseung Yat Ming (蔣一銘) (“Mr. Tseung”)**, aged 40, is the Group’s vice president. From August 2010 to June 2011, Mr. Tseung worked as an analyst in Shanghai Mingyu Xiaoyang Investment Management Co., Ltd.\* (上海明渝霄陽投資管理有限公司). From August 2011 to May 2021, he worked in Shanghai Panhou Capital Management Co., Ltd.\* (上海磐厚投資管理有限公司) as the investment director. In June 2021, he served as the secretary of the Board and director of investor relations in Suzhou Basecare Medical Corporation Limited (蘇州貝康醫療股份有限公司), a company listed on the Stock Exchange (Stock Code: 02170). Mr. Tseung joined Zhonggan Communication in August 2021 as the vice president and is responsible for overseeing corporate finance and capital market activities of the Group.

Mr. Tseung graduated from East China Normal University (華東師範大學) in July 2007 with a bachelor’s degree in computer science and technology. He later obtained master’s degree in economics from East China Normal University in June 2010.

# Biographies of Directors and Senior Management (Continued)

## COMPANY SECRETARY

**Mr. Liu Dingyi (劉鼎議)**, aged 30, is an executive Director of the Company. He was appointed as a joint company secretary of the Company by the Board on 28 June 2023. Please see “Executive Directors” in this section for his biographical details.

**Mr. Zhang Senquan (張森泉) (“Mr. Zhang”)**, aged 49, was appointed as a joint company secretary of the Company on 17 July 2025, has over 20 years of experience in accounting, auditing and management. He currently serves as the audit principal of Nortex (HK) CPA Limited. Mr. Zhang is currently an independent non-executive director of Natural Food International Holding Limited (stock code: 1837), Strawbear Entertainment Group (stock code: 2125), Chenqi Technology Limited (stock code: 9680), Shanghai Bao Pharmaceuticals Co., Ltd. (stock code: 2659), a company secretary of China General Education Group Limited (stock code: 2175) and a joint company secretary of Yunhong Guixin Group Holdings Limited (stock code: 8349), whose shares are listed on the Stock Exchange. He also serves as an independent director at Shandong Weigao Blood Purification Products Co., Ltd. (山東威高血液淨化製品股份有限公司) (a company listed on the Shanghai Stock Exchange with a stock code: 603014).

Mr. Zhang had also served in other companies listed on the Stock Exchange, including: (i) Guanze Medical Information Industry (Holding) Co., Ltd. (stock code: 2427) as a company secretary from September 2021 to December 2025; (ii) TYK Medicines, Inc (stock code: 2410) as an independent non-executive director from January 2024 to September 2025; (iii) Jiande International Holdings Limited (stock code: 865) as independent non-executive director from October 2016 to December 2024; (iv) Sang Hing Holdings (International) Limited (stock code: 1472) as an independent non-executive director from January 2020 to April 2023; (v) Southwest Securities International Securities Limited (stock code: 812) as the managing director from February 2016 to March 2020; (vi) Huazhong in-Vehicle Holdings Company Limited (stock code: 6830) as the chief financial officer and joint company secretary from May 2014 to July 2015; and (vii) Goodbaby International Holdings Limited (stock code: 1086) as the head of the strategic development department from 2 March 2013 to April 2014. He worked at Ernst & Young Hua Ming, KPMG Huazhen and Deloitte Touche Tohmatsu CPA Ltd., serving several positions from audit staff to audit partner from October 1999 to October 2012.

Mr. Zhang obtained his bachelor’s degree in economics from Fudan University in Shanghai, the PRC in July 1999. He has been a member of Hong Kong Institute of Certified Public Accountants since September 2011, China Institute of Certified Public Accountants since December 2001 and American Institute of Certified Public Accountants since September 2015.

# Directors' Report

The Board is pleased to announce the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the provision of Telecommunications Infrastructure Services and Digitalisation Solution Services in the PRC. Analysis of the principal activities of the Group during the Reporting Period is set out in the note 3 to the consolidated financial statements.

## RESULTS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 91.

## FINAL DIVIDEND AND DIVIDEND POLICY

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

The Company is incorporated in Cayman Islands, any declaration and payment of dividends by it, as well as the amount of dividends, will be subject to the Company's articles of association (the "**Articles of Association**") and the Cayman Islands Companies Act. No dividend however, shall be declared in excess of the amount recommended by the Board. The declaration, payment and amount of dividends will depend on the Group's financial condition, earnings, capital requirements and surplus, contractual and legal restrictions, its ability to receive dividend payments from its subsidiaries, and other factors that the Directors deem relevant. As at the date of this report, the Group did not have any specific dividend policy nor any pre-determined dividend payout ratio.

Chinese laws require that dividends be paid only out of net profit calculated according to PRC accounting principles, which may differ from generally accepted accounting principles in other jurisdictions, including HKFRSs. The Company's subsidiaries in the PRC that are required to set aside part of their net profit as statutory reserves in accordance with the requirements of relevant Chinese laws and the provisions of their respective articles of association. The portions of these subsidiaries' net profits are not available for distribution as cash dividends. Distributions from the Company's PRC subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that the Group may enter into in the future. Since the Company is an investment holding company and relies on its subsidiaries' dividends as the source of funds to pay dividends, these restrictions may limit or completely prevent it from paying dividends.

As of the date of this report, there is no arrangement under which a shareholder has waived or agreed to waive any dividends (including future dividends).

## BUSINESS OVERVIEW

Details of business review and future development of the Company's business are set out in the sections "Management Discussion and Analysis" and "Chairman's Statement" in this report.

# Directors' Report (Continued)

## ENVIRONMENTAL POLICY AND PERFORMANCE

The environmental, social and governance report (the “**ESG Report**”) for the Reporting Period has been prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”, renamed as the Environmental, Social and Governance Reporting Code with effect from 1 January 2025) in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and comply with mandatory disclosure regulations and the “interpret if not complied with” clause. The ESG Report adheres to the four reporting principles prescribed by the ESG Guide, namely materiality, quantitative, balance and consistency. The ESG Report is set out on pages 58 to 84 of this annual report.

## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Company strictly abides by the following laws and regulations that have material impacts on its operations: (a) regulations relating to the communication technology services industry; (b) laws and regulations affecting the business of the Group: laws and regulations regarding foreign investment, foreign exchange and overseas investment, intellectual property, environmental protection, taxation, labor and social security, and overseas listing.

During the Reporting Period, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

## FINANCIAL SUMMARY

A summary of the annual financial results and of the assets and liabilities of the Group for the last five financial years are set out on page 4 of this report. This summary does not form part of the audited consolidated financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the aggregate transaction value of the Group's five largest customers accounted for 97.1% of the Group's total revenue (2024: 97.1%), while the transaction value of the Group's largest customer accounted for 38.1% of the Group's total revenue (2024: 60.4%). In determining the five largest customers during the Reporting Period, the Group consolidates the revenue contributions of customers under the same control, including their subsidiaries, joint ventures, and associates.

During the Reporting Period, the aggregate transaction value with the Group's five largest suppliers accounted for 80.9% of the Group's total purchase costs (2024: 72.0%), while the transaction value with the Group's largest supplier accounted for 42.2% of the Group's total purchase costs (2024: 21.3%).

None of the Directors, any of their close associates, or any shareholders (which, to the best knowledge of the directors, owned more than 5% of the number of issued Shares of the Company) had any beneficial interest in the Group's five largest customers or suppliers.

# Directors' Report (Continued)

## USE OF PROCEEDS FROM GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on 3 July 2024, and the global offering of the Shares (the “Global Offering”) was offered, comprising 80,000,000 Shares under the Hong Kong public offering and 80,000,000 Shares under international offering, both at an offer price of HK\$1.25 per Share. After deducting the underwriting fees and related expenses, the net proceeds (the “Net Proceeds”) from the Global Offering (including the number of Shares issued and allotted pursuant to the partial exercise of the over-allotment option) amounted to HK\$141.9 million. On 12 May 2025, the Company announced the reallocation of the use of the unutilised Net Proceeds of approximately HK\$131.8 million as of 1 January 2025 and the extension of time of the use of Net Proceeds. As at 31 December 2025, the utilised Net Proceeds amounted to approximately HK\$94.0 million, while the unutilised Net Proceeds amounted to approximately HK\$37.8 million. The unutilised Net Proceeds were placed with authorised financial institutions or licensed banks in Hong Kong and the PRC as interest-bearing deposits.

The following table sets out the status of utilisation of the Net Proceeds as at 31 December 2025, and the expected timeline of the use of the unutilised Net Proceeds:

Usage	Percentage of gross proceeds	Revised allocation of the Net Proceeds <i>HK\$ million</i> <i>(approximately)</i>	Utilised	Unutilised	Expected timeline for full utilization of the balance
			Net Proceeds for the year ended 31 December 2025 <i>HK\$ million</i> <i>(approximately)</i>	Net Proceeds as at 31 December 2025 <i>HK\$ million</i> <i>(approximately)</i>	
Payment of upfront costs in respect of prospective Integrated Solution Services projects	24.3%	32.0	16.2	15.8	By the end of 31 December 2026
Strengthen research and development capabilities	34.4%	45.4	23.4	22.0	By the end of 31 December 2026
Repayment of bank borrowings	29.9%	39.4	39.4	–	N/A
General working capital	11.4%	15.0	15.0	–	N/A
<b>Total</b>	100.0%	131.8	94.0	37.8	



## Directors' Report (Continued)

The Board will continuously assess the plans for the use of the unutilised Net Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for a better performance of the Group. Should there be any further change in the use of the Net Proceeds, further announcement(s) will be made by the Company as and when appropriate.

### SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 24(b) to the consolidated financial statements.

### RESERVES

Details of movements in reserves of the Company and the Group during the Reporting Period are set out on page 94 in the Consolidated Statement of Changes in Equity in this annual report.

### DONATIONS

During the Reporting Period, the Group made external donations of approximately RMB0.2 million (2024: nil).

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the Reporting Period are set out in note 10 to the consolidated financial statements of this report.

### RESERVES AVAILABLE FOR DISTRIBUTION

As at 31 December 2025, the Company did not have any reserves available for distribution to shareholders (2024: nil).

# Directors' Report (Continued)

## BANK LOANS AND OTHER BORROWINGS

During the Reporting Period, save as the bank borrowings disclosed in note 20 to the consolidated financial statements, the Group did not have any bank loans and other borrowings.

## DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company during the Reporting Period were:

### Executive Directors

Mr. Liu Haoqiong (*Chairman and Chief Executive Officer*)

Mr. Peng Shengqian

Ms. Xie Xiaolan

Mr. Liu Dingli

Mr. Liu Dingyi

Mr. Zhou Zhiqiang

### Independent Non-executive Directors

Mr. Yu Shiyong

Mr. Zhu Yugang

Mr. Zhao Hezhen (*appointed on 27 June 2025*)

Mr. Li Yinguo (*retired on 27 June 2025*)

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

In accordance with article 108 of the Company's Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. In addition, pursuant to article 112 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with the Articles of Association, Ms. Xie Xiaolan, Mr. Liu Dingyi and Mr. Zhou Zhiqiang will retire from office, and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting (the "AGM") of the Company.

The details of the Directors who are subject to re-election at the AGM of the Company are set out in the circular to be dispatched to shareholders on or before 31 May 2026.



## Directors' Report (Continued)

Each of the Directors has entered into a service agreement or a letter of appointment with the Company for an initial term of three years from the date of re-designation or the date of appointment, automatically renewable for a further one year subject to director's rotation pursuant to the Articles of Association and can be terminated by not less than three months' notice in writing served by either party on the other. None of the Directors has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

During the Reporting Period, no remuneration was paid by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

There was no arrangement under which a Director or chief executive waived or agreed to waive any remuneration during the Reporting Period.

### **CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has received a confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of them are independent during the Reporting Period and up to the date of this report.

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the Reporting Period, none of the Directors, management, substantial shareholders, or their respective associates (as defined in the Listing Rules) held any interests in any business that competes or is likely to compete with the businesses of the Group.

# Directors' Report (Continued)

## NON-COMPETITION UNDERTAKING

Each of the controlling shareholders of the Company, namely Mr. Liu Haoqiong, Ms. Tao Xiulan and GT & Yangtze Limited (collectively, the **"Controlling Shareholders"**) entered into the Deed of Non-Competition (**"Undertakings"**) on 17 June 2024, details of which are disclosed in the Prospectus. The Controlling Shareholders have confirmed to the Company that they have complied with the Undertakings during the Reporting Period and up to the date of the Report. The independent non-executive Directors have reviewed the compliance conditions and confirmation provided by every Controlling Shareholders as part of the annual review process. On the basis that (i) the Company has received the confirmations from them regarding the Undertakings; (ii) there was no competing business reported by them; and (iii) there was no particular situation rendering the full compliance of the Undertakings being questionable, the independent non-executive Directors are of the view that the Undertakings have been complied with and enforced by the Company.

## DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

The remuneration of the Directors is paid in the form of salaries, allowances, benefits in kind, pension scheme contributions and share-based payments.

The Company has established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and with written terms of reference in compliance with the Corporate Governance Code (the **"CG Code"**) as set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of the remuneration package, bonuses and other compensation payable to the Directors and senior management, to establish a formal and transparent procedure for formulating policies to review the terms of the award scheme and the service contracts of the Directors and to provide recommendations on the remuneration package for all Directors and senior management.

The Directors and senior management are eligible participants under the Share Option Scheme (as defined below).

Details of the remuneration of the Directors and the five highest paid individuals of the Group are set out in note 7 and note 8 to the consolidated financial statements in this annual report.

# Directors' Report (Continued)

## RETIREMENT BENEFITS SCHEMES

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The employees of the PRC subsidiaries are required to contribute a certain percentage of their salaries to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contribution under the scheme. The Group had no forfeited contributions which may be used to reduce the existing level of contributions.

## PERMITTED INDEMNITY PROVISIONS

The Company has the authority to indemnify each Director against all losses or liabilities suffered or incurred in the performance of his/her functions. The Company has also arranged appropriate insurance cover in respect of legal action against the Directors arising from company activities.

## SHARE OPTION SCHEME

The Company adopted a share option scheme through a written shareholders' resolution on 17 June 2024 (the "**Share Option Scheme**"). The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless being terminated earlier by the Shareholders in general meeting. Accordingly, as at the date of the report, the remaining life of Share Option Scheme is approximately eight years and three months.

### **PURPOSE**

The purpose of the Share Option Scheme is to attract and retain the best available and high calibre personnel, to provide additional incentives to the eligible participants for their contributions or potential contributions to the Group, and promote the success of the Group's business. The Share Option Scheme will provide the eligible participants an opportunity to have a personal stake in the Company, and will contribute toward (i) motivating the eligible participants in optimising their performance and efficiency; and (ii) attracting and retaining or otherwise maintaining ongoing business relationships with the eligible participants whose contributions have been, or, will be beneficial to the long-term growth and profitability of the Group.

### **ELIGIBLE PARTICIPANTS**

The Board may, at its absolute discretion, offer to grant options to (i) any director or employee of any member of our Group (including persons who are granted options under the scheme as an inducement to enter into employment contracts with these companies) (the "**Employee Participant**"); (ii) any director or employee of any of the holding companies, fellow subsidiaries or associated companies of the Company (the "**Related Entity Participant**"); and (iii) any person who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group (the "**Service Provider**") (collectively the "**Eligible Participants**") to subscribe for such number of Shares as the Board may determine.

## Directors' Report (Continued)

Service Providers include but are not limited to persons (natural persons, corporate entities or otherwise) who work for the Group as independent contractors where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or professional service providers such as auditors or valuers who provide assurance, or those who are required to perform their services with impartiality and objectivity.

The basis of eligibility of any of the Eligible Participants shall be determined by the Board from time to time at its sole discretion. In assessing the eligibility of any Employee Participant or Related Entity Participant, the Board will consider all relevant factors as appropriate, including, among others, (i) work performance; (ii) years of service; and (iii) potential or actual contribution to the business of the Group.

The basis of eligibility of any Service Provider to the grant of any options shall be determined by the Board from time to time at its sole discretion on the basis of his/its contribution to the development and growth of, the degree of involvement in and/or cooperation with the Group, length of the business relationship of the Group with the Service Provider, and the actual or potential support, advice, efforts and contributions the Service Provider has exerted and given towards the success of the Group.

### ***SCHEME MANDATE LIMIT AND THE SERVICE PROVIDER SUBLIMIT***

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue as of the Listing Date, being 64,000,000 Shares (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme and any other Scheme of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

Subject to the above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 6,400,000 Shares, representing 1% of the total number of Shares in issue on the Listing Date (the “**Service Provider Sublimit**”).

The Service Provider Sublimit was determined with reference to the potential dilution effect arising from grants to Service Providers, the actual or expected improvement of our financial performance is attributable to Service Providers and the time for using the Service Provider in the activities of the Group. Considering the fact that there is no other share schemes involving grant of new options over the Shares, organisational structures and that Service Providers have contributed or is expected to contribute to the long-term growth of the Company's business, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

## Directors' Report (Continued)

The Board may, with the approval of the Shareholders in general meeting refresh, the Scheme Mandate Limit and the Service Provider Sublimit after three years from the date of the Shareholders' approval for the last refreshment or the Listing Date provided that the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other share schemes of the Company as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit and the Service Provider Sublimit. Refreshments of Scheme Mandate Limit (and the Service Provider Sublimit) to be made within a three-year period must be approved by the Shareholders in a manner in compliance with Rule 17.03C of the Listing Rules.

### **MAXIMUM ENTITLEMENT OF EACH INDIVIDUAL**

The total number of Shares issued and to be issued in respect of all options and awards granted to each Eligible Participant under this Scheme and any other share scheme(s) of the Company (excluding options and awards that have been lapsed in accordance with the terms of the relevant share schemes) in any 12-month period up to and including the date of such grant shall not in aggregate exceed 1% of the total number of Shares in issue (the "**1% Individual Limit**").

Any further grant of options or awards to an Eligible Participant in excess of the 1% Individual Limit shall be subject to the approval of the Shareholders in general meeting with such Eligible Participant and his close associates (or associates if the Eligible Participant is a connected person of the Company) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant, the number and terms of the options or awards to be granted (and those previously granted to such Eligible Participant in the 12-month period) and such other information required under the Listing Rules.

### **GRANT OF OPTIONS TO CONNECTED PERSONS**

Any grant of options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

Where any grant of options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted under all share schemes of the Company (excluding any options and awards lapsed in accordance with the terms of the relevant share schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of options must be approved by the Shareholders in general meeting. Such grantee, his associates and all core connected persons of the Company must abstain from voting on the resolution to approve such further grant of options. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

# Directors' Report (Continued)

## ***PRICE OF SHARES***

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant.

## ***RESTRICTIONS ON THE TIMES OF GRANT OF OPTIONS***

A grant of options may not be made after inside information has come to the knowledge of the Company until (and including) the trading day after it has announced such inside information pursuant to the requirements of the Listing Rules and the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of: (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and (ii) the deadline on which the Company shall announce its results for any year or half-year under the Listing Rules, or quarterly or other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. No option may be granted during any period of delay in publishing a results announcement.

Notwithstanding the above, a Director must not deal in any securities of the Company (and no options may be granted to a Director) on any day on which its financial results are published and: (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional which has to be met the requirements of the Listing Rules.

## ***ACCEPTANCE OF AN OFFER OF OPTIONS***

An option shall be deemed to have been granted and accepted by an Eligible Participant and to have taken effect when the duplicate offer document constituting acceptances of the options is duly signed by such Eligible Participant, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined by the Eligible Participant and the offer shall lapse.

## Directors' Report (Continued)

An option may be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment for the full amount of the exercise price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to the Company or the approved independent financial adviser as the case may be, the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

### ***RESTRICTIONS ON THE TIMES OF GRANT OF OPTIONS***

The vesting period for any option granted to any grantee shall not be less than twelve (12) months from the date of grant of such option. An option may be exercised by a grantee of an Option in accordance with the terms of the Share Option Scheme during the option period which shall be determined by the Board in its absolute discretion, but in any event shall not exceed 10 years from the date of grant of the option. No option may be offered or granted more than 10 years after the Listing Date. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Listing Date.

For details of the Share Option Scheme, please refer to the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix V to the Prospectus.

### ***NO OUTSTANDING OPTIONS GRANTED UNDER THE SHARE OPTION SCHEME***

Since the adoption of the Share Option Scheme and up to the date of this report, no options are granted, exercised, cancelled, or lapsed under the Share Option Scheme, and there are no outstanding options under the Share Option Scheme. As at 1 January 2025 and 31 December 2025, the total number of Shares available for grant under the Scheme Mandate Limit and Service Provider Sublimit of the Share Option Scheme are 64,000,000 Shares and 6,400,000 Shares, respectively, representing 10% and 1% of the total number of issued Shares of the Company.

# Directors' Report (Continued)

## INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

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

Name of Director	Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of interest (%)
Mr. Liu Haoqiong	Interest in controlled corporation <sup>(2)</sup>	359,444,530 (L)	56.16
Mr. Liu Dingyi	Interest in controlled corporation <sup>(3)</sup>	39,439,467 (L)	6.16
Mr. Liu Dingli	Interest in controlled corporation <sup>(4)</sup>	34,099,071 (L)	5.33

Notes:

1. The letter "L" denotes the person's long position in the Shares of the Company.
2. GT & Yangtze Limited is owned as to 70.0% by Mr. Liu Haoqiong and 30.0% by Ms. Tao Xiulan, the spouse of Mr. Liu Haoqiong. By virtue of the SFO, Mr. Liu Haoqiong and Ms. Tao Xiulan are deemed to be interested in the Shares held by GT & Yangtze Limited.
3. Octuple Hills Limited is wholly-owned by Mr. Liu Dingyi. By virtue of the SFO, Mr. Liu Dingyi is deemed to be interested in the Shares held by Octuple Hills Limited.
4. Huat Huat Limited is wholly-owned by Mr. Liu Dingli. By virtue of the SFO, Mr. Liu Dingli is deemed to be interested in the Shares held by Huat Huat Limited.

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

# Directors' Report (Continued)

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to any Director or chief executive of the Company, as at 31 December 2025, the following corporations/persons (other than the Directors or chief executives of the Company) had interests of 5% or more in the issued Shares of the Company according to the register of interests required to be kept by the Company under section 336 of the SFO:

Name of corporation/person	Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of interest (%)
GT & Yangtze Limited	Beneficial owner	359,444,530 (L)	56.16
Ms. Tao Xiulan	Interest in controlled corporation; interests held jointly with others; and interests of spouses <sup>(2)</sup>	359,444,530 (L)	56.16

*Notes:*

1. The letter "L" denotes the corporation/person's long position in the Shares of the Company.
2. GT & Yangtze Limited is owned as to 70.0% by Mr. Liu Haoqiong and 30.0% by Ms. Tao Xiulan, the spouse of Mr. Liu Haoqiong. By virtue of the SFO, Mr. Liu Haoqiong and Ms. Tao Xiulan are deemed to be interested in the Shares held by GT & Yangtze Limited.

Save as disclosed above and to the best knowledge of the Directors, as at 31 December 2025, no person (other than the Directors or chief executives of the Company) had registered an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

# Directors' Report (Continued)

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this report, no transactions, arrangements or contracts of significance in relation to which the Company, its holding company or subsidiaries was a party and in which a Director or his connected entities had a material interest, whether directly or indirectly, subsisted at any time during the Reporting Period.

## MANAGEMENT CONTRACTS

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

## EQUITY-LINKED AGREEMENT

Save for the Share Option Scheme as disclosed in the paragraph headed "Share Option Scheme" of this report, no equity-linked agreement was entered into by the Company or subsisted during the Reporting Period.

## TAX RELIEF AND EXEMPTION

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including any treasury shares held or deposited with the Central Clearing and Settlement System) during the Reporting Period and up to the date of this report.

## PRE-EMPTIVE RIGHTS

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

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the Reporting Period and up to the date of this report.

## MATERIAL LITIGATION

During the Reporting Period and up to the date of this report, the Company was neither involved in any material litigation or arbitration, nor may be brought up or accused of any pending material litigation or claims.

# Directors' Report (Continued)

## CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the Corporate Governance Report on pages 39 to 57 in this annual report.

## ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "AGM") is expected to be held on Monday, 29 June 2026. Shareholders should refer to details regarding the AGM in the circular of the Company to be issued in due course and the notice of the AGM and form of proxy accompanying thereto.

## CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the AGM to be held on Monday, 29 June 2026, the Company's register of members will be closed from Wednesday, 24 June 2026 to Monday, 29 June 2026 (both days inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 23 June 2026.

## RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The Group did not enter into any connected transactions and continuing connected transactions which required reporting, annual review, announcements and/or independent shareholders' approval under Chapter 14A of the Listing Rules during the Reporting Period.

Details of the related party transactions entered into by our Group are set out in note 26 to the consolidated financial statement and they were connected transactions exempt from the connected transaction requirements under Chapter 14A of the Listing Rules.

## AUDIT COMMITTEE REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and the audited consolidated financial statements and interim financial results announcement and report of the Group for the year ended 31 December 2025, and is of the view that the Group's consolidated financial statements for the year ended 31 December 2025 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

# Directors' Report (Continued)

## AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. Resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

## EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, the Group has no significant events after the Reporting Period required to be disclosed.

By order of the Board

**Zhonggan Communication (Group) Holdings Limited**

**Mr. Liu Haoqiong**

*Chairman and Executive Director*

Hong Kong, 30 March 2026

# Corporate Governance Report

The Board is pleased to present the Corporate Governance Report in the Group's annual report for the year ended 31 December 2025.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance and achieving good corporate governance by an effective Board, segregation of duties with clear accountability, sound internal controls and risk management procedures and transparency to shareholders in order to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own CG Code.

Save as disclosed in the "Chairman and Chief Executive Officer" section of this report, for the year ended 31 December 2025, the Company has adopted and complied with all applicable code provisions (the "**Code Provisions**") under the CG Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## CORPORATE GOVERNANCE CULTURE

A healthy corporate culture across the Group is integral to attaining its vision and strategy. The Company is committed to ensuring that its affairs are conducted in accordance with good corporate governance practices, which seek to ensure that overall business risk of the Group is assessed and managed appropriately and sustainable returns can be delivered to its shareholders.

The Board is committed towards lawful, ethical and responsible operation of our business. In order to promote honesty-based and win-win cooperation in the operating environment, the Company has designed and adopted strict internal procedures to ensure the compliance of its business operations with the relevant rules and regulations. The CG Code published by the Stock Exchange sets out the principles of good corporate governance, and the Group manages its corporate affairs (such as its board composition, audit, internal control and risk management) in accordance with such principles. The Company implemented strict internal procedures with respect to anti-bribery, anti-corruption and anti-fraud which enable the Company to improve long-term sustainable performance. This corporate governance report provides a channel through which shareholders may evaluate how the Group has applied such principles to its business.

# Corporate Governance Report (Continued)

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code regarding directors' securities transactions during the year ended 31 December 2025.

The Company has also, in accordance with the requirements set out in Code Provision C.1.3 of the CG Code, established written guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside and price-sensitive information of the Company. No incident of non-compliance of such guidelines by the employees was noted by the Company for the year ended 31 December 2025.

## RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is the primary decision-making body of the Company and is responsible for leadership and control of the Company, overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs and acting in the best interests of the Company and its shareholders. The Board makes decisions objectively in the interests of the Company. All Directors have full and timely access to all the information of the Company, and may upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties. All Directors, including the non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Group's senior management is responsible for the day-to-day management of the Group's business and is responsible for overseeing the general operation, business development, finance, marketing and operations.

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management. The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the Reporting Period. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report" in this annual report.

# Corporate Governance Report (Continued)

To oversee particular aspects of the Company's affairs, the Board has established four Board committees, including the Audit Committee (the "**Audit Committee**"), the Remuneration Committee (the "**Remuneration Committee**"), the nomination committee (the "**Nomination Committee**") and the executive committee (the "**Executive Committee**", together with the Audit Committee, the Remuneration Committee and the Nomination Committee, the "**Committees**"). The Board has delegated to the Committees responsibilities as set out in their respective terms of reference.

## BOARD COMPOSITION

As at the date of this report, the Board comprises nine Directors, consisting of six executive Directors and three independent non-executive Directors.

### Executive Directors

Mr. Liu Haoqiong (*Chairman and Chief Executive Officer*)

Mr. Peng Shengqian

Ms. Xie Xiaolan

Mr. Liu Dingli

Mr. Liu Dingyi

Mr. Zhou Zhiqiang

### Independent Non-executive Directors

Mr. Yu Shiyong

Mr. Zhu Yugang

Mr. Zhao Hezhen (Note)

*Note:* Mr. Zhao Hezhen was appointed on 27 June 2025. He has confirmed that he (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 27 June 2025; and (ii) understands his obligations as a director of a listed issuer under the Listing Rules.

The Board considers that the composition of the Board provides a strong independent element with a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Company.

Save as disclosed in the biographies of the Directors as set out in the section headed "Biographies of Directors and Senior Management" of this annual report, none of the Directors and senior management is connected with any other Directors, senior management or substantial or controlling shareholders of the Company, and there is no relationship (including financial, business, family or other material/relevant relationship) between the Directors.

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

As regards the Code Provisions under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

# Corporate Governance Report (Continued)

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Haoqiong is currently both the chief executive officer of the Company (“**Chief Executive Officer**”) and the Chairman of the Board. Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be segregated and should not be performed by the same individual.

The Board believes that vesting the roles of both Chief Executive Officer and Chairman in the same person has the benefit of ensuring consistent leadership and efficient discharge of executive functions within the Group. The Group considers that the balance of power and authority of the present arrangement will not be impaired as the Board comprises nine other experienced and high-calibre individuals who would be able to offer advice from various perspectives. In addition, for major decisions of the Group, the Board will make consultations with appropriate Board committees and senior management. Despite the deviation from Code Provision C.2.1 of the CG Code for Mr. Liu Haoqiong, the Chairman, to concurrently serve as the Chief Executive Officer, the Board believes that Mr. Liu Haoqiong, being the chairman of the Board, is familiar with the Company’s business operation and has excellent knowledge and experience of the Company’s business which will be conducive to improving the efficiency of the Company’s overall strategic planning. The Board believes that such management structure layout will be more beneficial to the future development of the Company and will improve the Company’s operating conditions. Under the supervision of the Board, it is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. Therefore, the Directors consider that the present arrangement is beneficial to and in the interest of the Company and the shareholders as a whole.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

For the year ended 31 December 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise. All independent non-executive Directors have confirmed their independence pursuant to the factors set out in Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all independent non-executive Directors are independent as they were free from any business or other relationship which could affect their ability to discharge their duties independently.

## BOARD INDEPENDENCE EVALUATION

The Board seeks the development of an effective working environment for the executive and independent non-executive Directors so as to improve the quality of the decisions made by the Board without constraining the independent views of the independent non-executive Directors. The Group has established a mechanism during the year to ensure independent views and inputs are available to the Board by including allowing the independent non-executive Directors to directly contact the Chairman of the Board for expressing their independent views in an open and candid manner and exercising judgment to better safeguard shareholders’ interests as well as in confidential manner (in case of any conflict of interest).

The Board will review the implementation and effectiveness of such mechanism(s) on an annual basis to ensure independent views and inputs are available to the Board.

# Corporate Governance Report (Continued)

## BOARD MEETINGS

The Board is scheduled to meet regularly at least four times a year (does not include obtaining Board consent through circulating written resolutions) at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

At least 14 days' notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are provided to the Directors at least 3 days before the date of the Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings and have access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

If a Director considers independent views and input are necessary in the process of discharging his/her duty and in handling meeting agendas (including Board committee meetings), he/she may inform the company secretary to appoint external experts or consultants to provide the necessary information. Depending the complexity of the issue involved and the required fee level, the appointment of external experts or consultants can be tabled in the meeting agenda for the approval by the Directors attending the meeting. The Board and the Committees are provided with sufficient resources to perform their duties. The Board has reviewed this mechanism and considered it appropriate and effective.

Both draft and final versions of the minutes are sent to all Directors for their comments and records. Minutes of Board and committee meetings are kept by the company secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Directors.

The chairman of the Board holds meetings with the non-executive Directors (including independent non-executive Directors) annually, during which executive Directors are not permitted to attend. For the year ended 31 December 2025, the Chairman held one separate meeting with the independent non-executive Directors.

# Corporate Governance Report (Continued)

For the year ended 31 December 2025, the Company held five Board meetings. The attendance record of each Director at Board meetings is set out below:

<b>Name</b>	<b>Number of Attendances/ Number of meetings</b>	<b>Attendance Rate</b>
<b>Executive Directors</b>		
Mr. Liu Haoqiong	5/5	100%
Mr. Peng Shengqian	5/5	100%
Ms. Xie Xiaolan	5/5	100%
Mr. Liu Dingli	5/5	100%
Mr. Liu Dingyi	5/5	100%
Mr. Zhou Zhiqiang	5/5	100%
<b>Independent Non-executive Directors</b>		
Mr. Yu Shiyong	5/5	100%
Mr. Zhu Yugang	5/5	100%
Mr. Zhao Hezhen ( <i>appointed on 27 June 2025</i> )	3/3	100%
Mr. Li Yinguo ( <i>retired on 27 June 2025</i> )	2/2	100%

## SHAREHOLDERS' GENERAL MEETING

The Shareholders' general meeting is the organ of highest authority of our Company and exercises the duties and powers in accordance with the laws and the Articles of Association. In order to protect the rights of Shareholders, our Company will convene the Shareholders' general meeting in strict compliance with the relevant rules and procedures such that all Shareholders are treated equally and can exercise their rights fully. Separate resolutions will be proposed at the Shareholders' general meeting on each substantial issue. Each resolution submitted to the Shareholders' general meeting will be voted pursuant to the Listing Rules, and the voting result will be published on the websites of the Stock Exchange and the Company after the meeting.

The Company held an annual general meeting on 27 June 2025.

# Corporate Governance Report (Continued)

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the Directors (including independent non-executive Directors) has entered into a service contract or a letter of appointment with the Company for a term of three years from the date of appointment, subject to re-election.

Under the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Any Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting and any Directors appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election. According to the above provisions, all the Directors are subject to retirement by rotation and re-election at the forthcoming annual general meetings.

## CONTINUING PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director received a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

By providing all Directors with relevant guidelines, updated materials and training regarding the relevant laws and applicable regulations, the duties and responsibilities of being a Director, and relevant disclosure requirements, the Group also ensures that each Director understands and is familiar with the latest development of the relevant rules.

On an ongoing basis, Directors are encouraged to keep all matters relevant to the Group and also provided funding to each Director, to encourage Directors to participate in various continuous professional development courses, attend briefings, seminars and relevant training courses as appropriate. The Directors are requested to provide the Company with their respective training record pursuant to the requirement of the CG Code on continuous professional development.

# Corporate Governance Report (Continued)

During the year ended 31 December 2025, the participation record of Directors in continuous professional development training is set out below:

	<b>Type of Training (Note)</b>
<b>Executive Directors</b>	
Mr. Liu Haoqiong	A&B
Mr. Peng Shengqian	A&B
Ms. Xie Xiaolan	A&B
Mr. Liu Dingli	A&B
Mr. Liu Dingyi	A&B
Mr. Zhou Zhiqiang	A&B
<b>Independent Non-executive Directors</b>	
Mr. Yu Shiyong	A&B
Mr. Zhu Yugang	A&B
Mr. Zhao Hezhen	A&B

*Note:* Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

## BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the websites of the Company and the Stock Exchange and are available to Shareholders upon request.

# Corporate Governance Report (Continued)

## AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Code Provisions D.3.3 and D.3.7 of the CG Code. Its terms of reference are available on the websites of the Company and the Stock Exchange. The principal duties of the Audit Committee include making recommendations to the Board on the appointment and removal of external auditors, reviewing the financial statements and making recommendations on the financial reports and overseeing the Group's internal control procedures. An entire version of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The responsibilities of the Audit Committee include but not limited to: (1) making recommendations to the Board on the appointment, re-appointment and removal of external auditor; (2) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (3) developing and implementing a policy on the engagement of external auditor to provide non-audit services; (4) monitoring the integrity of the Company's financial statements, interim reports and annual reports, and reviewing significant financial reporting judgements contained in them; (5) monitoring the Company's financial reporting system, risk management and internal control systems; (6) reviewing the financial control of the Company; (7) discussing with management on the risk management and internal control systems to ensure that management has fulfilled its responsibilities in establishing effective systems; (8) investigating significant findings related to risk management and internal control matters; (9) ensuring the coordination between internal and external auditors, guaranteeing that the internal audit function has sufficient resources and appropriate status within the Company, and reviewing and monitoring its effectiveness; (10) reviewing the financial and accounting policies and practices of the Group; (11) examining the "Explanatory Statement on Audit" provided by the external auditors to management, any significant queries raised by the auditors to the management regarding accounting records, financial accounts, or control systems, and the responses made by management; (12) ensuring that the Board can promptly addresses issues raised in the "Explanatory Statement on Audit" provided by the external auditors to management; (13) reporting to the Board on matters covered in items (1) to (12); and (14) considering other special issues as defined or assigned by the Board from time to time.

As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely Mr. Yu Shiyong, Mr. Zhu Yugang and Mr. Zhao Hezhen. Mr. Yu Shiyong is the chairman of the Audit Committee with appropriate professional qualifications, accounting and related financial management expertise as required by Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's current auditor, being KPMG.

# Corporate Governance Report (Continued)

The Audit Committee held two meetings for the year ended 31 December 2025, during which it reviewed, among other matters, the interim financial results announcement and report of the Group for the six months ended 30 June 2025, and the financial results announcement and report for the year ended 31 December 2024. The details of the attendance of each committee member at the meeting are as follows:

<b>Name</b>	<b>Number of Attendances/ Number of meetings</b>	<b>Attendance Rate</b>
<b>Independent Non-executive Directors</b>		
Mr. Yu Shiyong ( <i>Chairman</i> )	2/2	100%
Mr. Zhu Yugang	2/2	100%
Mr. Zhao Hezhen ( <i>appointed on 27 June 2025</i> )	1/1	100%
Mr. Li Yinguo ( <i>retired on 27 June 2025</i> )	1/1	100%

The Audit Committee has reviewed the Group's financial controls, risk management and internal control systems and discussed with the management of the Company to ensure that management has performed its duty to establish effective systems and has provided sufficient resources to the financial reporting function and internal audit function. The Audit Committee has met with the external auditor of the Company without the presence of the executive Directors to ensure the effectiveness of the audit process, and has reviewed this annual report, including the Company's financial statements contained therein.

## REMUNERATION COMMITTEE

The Company has established the Remuneration Committee with written terms of reference in compliance with Code Provision E.1.2 of the CG Code. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee will review the proposals made by the management on the remuneration of Directors and senior management and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee. The primary duties of the Remuneration Committee also include making recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment as well as the compensation arrangements relating to dismissal or removal of Directors for misconduct, ensuring none of the Directors determine their own remuneration, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions. The remuneration policy of non-executive Directors (including independent non-executive Directors) is to ensure that the non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Directors are also determined with reference to their skills, experience, knowledge, duties and market trends.

# Corporate Governance Report (Continued)

As of the date of this report, the Remuneration Committee consists of two independent non-executive Directors, namely Mr. Zhao Hezhen and Mr. Yu Shiyong, and one executive Director, namely Mr. Peng Shengqian. Mr. Zhao Hezhen is the chairman of the Remuneration Committee.

The Remuneration Committee held one meeting during the year ended 31 December 2025. The details of the attendance of each committee member at the meeting are as follows:

Name	Number of Attendances/ Number of meetings	Attendance Rate
<b>Independent Non-executive Directors</b>		
Mr. Zhao Hezhen ( <i>Chairman</i> ) ( <i>appointed on 27 June 2025</i> )	–	–
Mr. Li Yinguo ( <i>Chairman of the Remuneration Committee</i> ) ( <i>retired on 27 June 2025</i> )	1/1	100%
Mr. Yu Shiyong	1/1	100%
<b>Executive Director</b>		
Mr. Peng Shengqian	1/1	100%

The Remuneration Committee assessed the performance, reviewed the proposal made by management on the remuneration packages of executive Directors and senior management and made recommendation to the Board on the remuneration packages of individual executive directors and senior management.

## REMUNERATION OF SENIOR MANAGEMENT

Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose biographical details are set out in the section headed “Biographies of Directors and Senior Management” in this annual report, for the year ended 31 December 2025 by the band is as follows:

Remuneration band (in HK\$)	Number of people
0 – 1,000,000	1

# Corporate Governance Report (Continued)

## NOMINATION COMMITTEE

The Company has established the Nomination Committee with written terms of reference in compliance with Code Provision B.3.1 of the CG Code. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size, composition and diversity policy of the Board (the “**Board Diversity Policy**”), including the measurable objectives, the implementation and effectiveness of the Board Diversity Policy, on an annual basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-election of Directors. When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to a series of criteria as bases, including but not limited to gender, age, cultural, skills, experience, educational background, professional knowledge, personal integrity and time commitments of the proposed candidates, and taking into consideration of the Company’s Board Diversity Policy. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

As of the date of this report, the Nomination Committee comprises two independent non-executive Directors, namely Mr. Zhu Yugang and Mr. Yu Shiyong, and one executive Director, namely Ms. Xie Xiaolan. Mr. Zhu Yugang is the chairman of the Nomination Committee.

The Nomination Committee held one meeting during the year ended 31 December 2025. Details of the attendance of each committee member at the meeting are as follows:

<b>Name</b>	<b>Number of Attendances/ Number of meetings</b>	<b>Attendance Rate</b>
<b>Independent Non-executive Directors</b>		
Mr. Zhu Yugang ( <i>Chairman</i> )	1/1	100%
Mr. Yu Shiyong	1/1	100%
<b>Executive Directors</b>		
Ms. Xie Xiaolan ( <i>appointed on 30 June 2025</i> )	–	–
Mr. Liu Dingli ( <i>ceased to act on 30 June 2025</i> )	1/1	100%

The Nomination Committee reviewed the structure, size and composition of the Board, and assessed the independence of the independent non-executive Directors and concluded that the Company’s Board Diversity Policy has been properly implemented.

# Corporate Governance Report (Continued)

## BOARD DIVERSITY POLICY

To enhance the efficiency of the Board and maintain a high standard of corporate governance, the Company has adopted a board diversity policy (“**Board Diversity Policy**”) which sets out the approach to achieve and maintain diversity in the Board. Pursuant to the Company’s Board Diversity Policy, the selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge, length of service and other related factors. The Company will also consider its business model and special needs. The ultimate selection of Director candidates will be based on the merits of the candidates and the contribution that the candidates will bring to the Board. The Directors possess a balanced range of knowledge and skills, encompassing overall management and strategy planning, human resources, administration and training, business development, sales, accounting and corporate finance, as well as administrative and legal compliance matters.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (a) at least one-third of the members of the Board shall be independent non-executive Directors;
- (b) at least one of the members of the Board shall have obtained accounting or relevant financial management professional qualifications;
- (c) at least 50% of the members of the Board shall have 10 years or more of experience in the industry he/she is specialised in;
- (d) at least 2 of the members of the Board shall have China-related work experience; and
- (e) the Board comprises male and female members.

As of the date of this report, the Board comprises nine members. We have three independent non-executive Directors with different industry backgrounds, representing one-third of the members of our Board. In terms of gender diversity, the executive Directors include a female, namely Ms. Xie Xiaolan. In terms of age diversity, the ages of each director range from 30 to 65 years old. On such premise, our Board is well balanced and diversified in alignment with the business development and strategy of our Group. Taking into account our existing business model and specific needs as well as the different backgrounds of our directors, the composition of our Board satisfies our Board Diversity Policy. Our Nomination Committee is responsible for ensuring the diversity of our Board members. Our Nomination Committee will review the Board Diversity Policy to ensure its continued effectiveness on an annual basis. The Board reviewed the implementation and effectiveness of the Company’s Board Diversity Policy for the year ended 31 December 2025, and concluded that the Board Diversity Policy, including its measurable objectives, is appropriate and effective in supporting the Group’s strategic goals and maintaining its sustainable development.

# Corporate Governance Report (Continued)

## GENDER DIVERSITY OF WORKFORCE

Gender diversity at workforce levels (including our senior management) is disclosed in the section headed “Environmental, Social and Governance Report” in this annual report.

### Executive Committee

The Company established the Executive Committee on 23 December 2025 and set out its written terms of reference, which are available for inspection on the Company’s website and the website of the Stock Exchange.

The primary duties of the Executive Committee shall be: (i) to determine the organizational structure of the Company’s internal management, including the establishment, dissolution, or alteration of the functions or number of the Company’s departments; (ii) to determine the appointment, replacement, or recommendation of members of the boards of directors of subsidiaries or associates (if any) or joint ventures (if any); (iii) to approve the establishment or dissolution of subsidiaries or associates or joint ventures (excluding those require the approval from the Board and/or the independent directors or are subject to the announcement and/or shareholders’ approval requirement(s)); (iv) to approve transactions of the Group (excluding any transaction that is subject to announcement and/or shareholders’ approval under applicable laws and regulations or the Listing Rules); (v) provided that the relevant matters will not trigger the Company’s obligation to make announcements under applicable laws and regulations or the Listing Rules: to determine and handle appropriate financing and related activities with banks and the corresponding provision of financial assistance to subsidiaries or associates (if any) or joint ventures (if any) or third parties; to review all investments and major capital expenditures proposed by subsidiaries, and to assess their significance in terms of nature or cost; to plan, approve and execute acquisitions or disposals, and to approve major proposals; to direct and execute opportunities for developing new businesses beyond existing business; and to affix the Company’s seal to any instruments or documents relating to any of the foregoing matters and to approve the execution of such instruments or documents by one or more Directors of the Company; (vi) to oversee the formulation, revision, and implementation of the Company’s strategies; (vii) to oversee the execution of the Company’s business plans and business operations; (viii) to oversee the operations of subsidiaries; (ix) to approve the authorization scope of the Company’s senior management and any changes thereto; (x) to approve the withdrawal from businesses and investment projects (excluding any transaction that is subject to announcement and/or shareholders’ approval under applicable laws and regulations or the Listing Rules); and (xi) to handle any other specific matters authorized by the Board to the Committee.

As at the date of this report, the Executive Committee comprised two executive Directors, namely Mr. Liu Dingyi and Mr. Zhou Zhiqiang. Mr. Liu Dingyi is the chairman of the Executive Committee.

The Executive Committee did not hold any meeting during the year ended 31 December 2025.

# Corporate Governance Report (Continued)

## JOINT COMPANY SECRETARIES

Mr. Liu Dingyi is an executive Director of the Company. Mr. Liu Dingyi was appointed as the joint company secretary of the Company by the Board on 28 June 2023. For his biographical details, please refer to the section headed “Biographies of Directors and Senior Management – Executive Directors” in this annual report.

Ms. Wong Wai Yee, Ella resigned as the joint company secretary of the Company with effect from 17 July 2025. Mr. Zhang Senquan was appointed as the joint company secretary of the Company on 17 July 2025. For his biographical details, please refer to the section headed “Biographies of Directors and Senior Management – Company Secretary” in this annual report.

All Directors are entitled to seek advice and services from the joint company secretaries on matters regarding corporate governance and Board practices. As at 31 December 2025, both Mr. Liu Dingyi and Mr. Zhang Senquan have completed no less than 15 hours of relevant professional training according to the requirements of Rule 3.29 of the Listing Rules.

## AUDITOR’S REMUNERATION

During the Reporting Period, the remuneration for the audit services provided by the Auditor to the Group is analyzed below and no non-audit services have been provided by the Auditor. The remuneration for the audit services includes the audit service fees in respect of the Group’s financial statements for the Reporting Period.

Type of services	Amount (RMB’000)
Audit services	2,050
<b>Total</b>	<b>2,050</b>

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has undertaken the overall responsibility for overseeing the Group’s risk management and internal control systems on an on-going basis and reviewing their effectiveness at least annually in order to safeguard the interests of the shareholders and the assets of the Group. The Board acknowledges its responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group’s strategic objectives and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

# Corporate Governance Report (Continued)

Meanwhile, the Group has engaged an external legal adviser to assist the Group in complying with the relevant requirements of the Listing Rules, strengthening our risk management and internal control capabilities, and preventing non-compliance incidents as much as possible.

During the year ended 31 December 2025, the Company has adopted various measures to ensure the effective implementation of its internal control and risk management systems, including (i) establishing the Audit Committee to review and supervise our financial reporting process and internal control system; (ii) organizing training sessions for our Directors and senior management; (iii) conducting regular internal training for our employees and management on applicable laws and regulations to ensure their awareness and compliance which cover various aspects of employee behavior during the ordinary business operations; (iv) appointing Zhongtai International Capital Limited as our compliance adviser to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong;

During the year ended 31 December 2025, the Board has conducted a review of the effectiveness of internal control and risk management system of the Group and is of the view that such system is effective and adequate.

## WHISTLEBLOWING POLICY

The Board has adopted a whistleblowing policy (the “**Whistleblowing Policy**”). The purpose of the Whistleblowing Policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourage the reporting of misconduct, unlawful and unethical behavior.

The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to the chairman of the Audit Committee or the officer of the office of the Board. No incident of fraud or misconduct that has material effect on the Group’s financial statements or overall operations for the year ended 31 December 2025 has been discovered.

The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

# Corporate Governance Report (Continued)

## ANTI-CORRUPTION POLICY

The Board has adopted an anti-corruption policy (the “**Anti-corruption Policy**”). The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting its business. The Anti-corruption Policy forms an integral part of the Group’s corporate governance framework. The Anti-corruption Policy sets out the specific behavioural guidelines that the Group’s personnel and business partners must follow to combat corruption. It demonstrates the Group’s commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group’s practices, the Anti-corruption Policy has been prepared as a guide to all Group’s employees and third parties dealing with the Group.

The Anti-corruption Policy is reviewed and updated periodically to align with the applicable laws and regulations as well as the industry best practice.

## DISCLOSURE OF INSIDE INFORMATION

The Group has in place a policy on disclosure of inside information which sets out the procedures and internal controls for handling and dissemination of inside information.

The policy provides guidelines to the directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information. To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Company and the Stock Exchange.

## DIVIDENDS POLICY

The Company is a company incorporated in Cayman Islands, any declaration and payment of dividends by it, as well as the amount of dividends, will be subject to the Articles of Association of the Company and the Cayman Islands Companies Act. No dividend however, shall be declared in excess of the amount recommended by the Board. The declaration, payment and amount of dividends will depend on the Group’s financial condition, earnings, capital requirements and surplus, contractual and legal restrictions, its ability to receive dividend payments from its subsidiaries, and other factors that the Directors deem relevant. As of the date of this report, the Group did not have any specific dividend policy nor any pre-determined dividend payout ratio.

Chinese laws require that dividends be paid only out of net profit calculated according to PRC accounting principles, which may differ from generally accepted accounting principles in other jurisdictions, including HKFRSs. The Company’s subsidiaries in the PRC that are required to set aside part of their net profit as statutory reserves in accordance with the requirements of relevant Chinese laws and the provisions of their respective articles of association. The portions of these subsidiaries’ net profits are not available for distribution as cash dividends. Distributions from the Company’s PRC subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that the Group may enter into in the future. Since the Company is an investment holding company and relies on its subsidiaries’ dividends as the source of funds to pay dividends, these restrictions may limit or completely prevent it from paying dividends.

# Corporate Governance Report (Continued)

## AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

During the Reporting Period, no change has been made to the Memorandum and Articles.

## SHAREHOLDERS' RIGHTS

### Convene a General Meeting and Put Forward Proposals

According to Article 64 of the Articles of Association, extraordinary general meetings shall also be convened on the requisition of one or more shareholder(s) holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings, on a one vote per share basis in the share capital of the Company and the foregoing shareholders shall be able to add resolutions to the meeting agenda. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition.

Such requisition shall be made in writing to the Board or the company secretary of the Company, with detailed contact information of the requisitioner(s), at either one of the following addresses of the Company:

### Headquarters in the PRC

Room 101, Block 99  
2799 Tianxiang Avenue  
Nanchang Jiahai Industrial Park  
Nanchang High-tech Industrial Development Zone  
Nanchang City  
Jiangxi Province, the PRC

### Principal Place of Business in Hong Kong

Unit 02, 8/F  
Tung Che Commercial Centre  
246 Des Voeux Road West  
Hong Kong

# Corporate Governance Report (Continued)

An annual general meeting of the Company shall be called by not less than 21 days' notice in writing. All other general meetings (including an extraordinary general meeting) shall be called by at least 14 days' notice in writing. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and public investors.

The Company updates its shareholders on its latest business developments and financial performance through its corporate publications including interim and annual financial results announcements and reports. Extensive information about the Company's activities for the year ended 31 December 2025 has been provided in this annual report. While the annual general meeting provides a valuable forum for direct communication between the Board and its shareholders, the Company also maintains its website ([www.gantongjt.com](http://www.gantongjt.com)) to provide an alternative communication channel for the public and its shareholders. All corporate communication and the Company's latest updates are available on the Company's website for public information.

Shareholders' enquires to the Board may be made in writing and sent to the Company's headquarters in the PRC or principal place of business in Hong Kong at the addresses stated above to contact the Company's investor relations team.

To facilitate and encourage more shareholders to attend the Company's general meetings, the Company's AGM will be held on Monday, 29 June 2026 with the combination of a physical meeting and an online virtual meeting. Board members, in particular, either the chairmen of Board committees or their delegates, appropriate management executives and external auditor will attend the forthcoming AGM to answer Shareholders' questions. Each shareholder has the right to speak at a general meeting and the Board members could communicate with shareholders directly. The Company has set up a dedicated investor relations team to communicate with shareholders and to handle shareholders' enquires on an ongoing basis. The team members are familiar with the information disclosure requirements and guidance of Listing Rules and relevant provisions, who summarise and reflect shareholders' opinion and feedback to the Board and management team. Such information is considered by the Board and management team when reviewing the existing policies and formulating future strategies. The Board considers that the shareholders' communication policy implemented during the year ended 31 December 2025 was open and effective.

# Environmental, Social and Governance Report

## ABOUT THIS REPORT

Zhonggan Communication (Group) Holdings Limited (Stock Code: 2545) (the “**Company**”, together with its subsidiaries, the “**Group**”) was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 3 July 2024. The Group is pleased to present the Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) for the year ended 31 December 2025 (the “**Reporting Period**”). The ESG Report mainly focuses on the core businesses of the Group, aiming to outline the progress we have made in creating sustainable value for our shareholders and other stakeholders. This ESG Report is published on the websites of the Stock Exchange and the Group ([www.gantongjt.com](http://www.gantongjt.com)).

## TIME SCOPE

The ESG Report is covering the period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”).

## REPORTING BOUNDARY

The ESG Report is based on Zhonggan Communication (Group) Holdings Limited, covering all the subsidiaries of the Company.

Given that the operations of Zhonggan Communication (Group) Co., Ltd. (namely, our headquarters located in Nanchang) accounted for the majority of the Group’s results, the scope of the ESG Report is based on the operations of Zhonggan Communication (Group) Co., Ltd. during the Reporting Period after taking into consideration the Group’s sales results and operational coverage by the management. The ESG Report summarises the ESG practices of Zhonggan Communication (Group) Co., Ltd. (i.e. the principal operating subsidiary of the Group) during the Reporting Period. The information contained herein is helpful in understanding and evaluating the Group’s ESG performance in its routine business in the PRC. Since the management of the Group considers that the operations of its other subsidiaries have minimal impact on its environmental performance, the ESG Report does not include KPI data of business units other than Zhonggan Communication (Group) Co., Ltd..

# Environmental, Social and Governance Report (Continued)

## REPORTING PRINCIPLES

The ESG Report follows the requirements of the Environmental, Social and Governance Reporting Code (the “ESG Code”) as set out in Appendix C2 of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange that contains reporting principles of materiality, quantitative and consistency. Among them, the “Climate-related Disclosures” section is prepared in accordance with the requirements of Part D of the Environmental, Social and Governance Reporting Code and with reference to the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD).

Details are set out below:

### Materiality

In addition to internal factors, such as the Group’s corporate value, strategy and core competitiveness, the Group also attaches importance to communication with the internal and external stakeholders, and considers the ESG strategies of other competitors in the industry, so as to achieve sustainable development. We have identified the following categories that have or may have a significant impact on the Group’s ESG performance:

- Market development directions and trends of the communication engineering service industry in the PRC;
- Present or future operational and social environment in which the Group is located;
- Requirements of the laws and regulations related to the industry;
- Financial and operating performance of the Group; and
- Evaluation, decision and action of the Group’s stakeholders.

### Quantitative

The key performance indicators disclosed in the ESG Report are supported by quantified data and measurable standards. The sources of all calculation tools, methods, references and conversion factors applied are disclosed in relevant data presented in this report.

### Balance

The ESG Report presents the Group’s performance in 2025 in an impartial manner, avoiding any potential influence on the reader’s decision-making or judgment that could be inappropriate due to the selection, omission, or reporting format.

### Consistency

For comparative purposes of ESG performance in future years, the Group adopts consistent approaches for data collection, calculation and reporting, where reasonable, across all financial years, and records significant changes in detail for the relevant components. In this report, unless otherwise indicated.

# Environmental, Social and Governance Report (Continued)

## PARTICIPATION OF ROLES

The Group actively seeks every opportunity to understand our stakeholders in order to guarantee the regular improvement of our services. We strongly believe that stakeholders play a vital role in maintaining the success of our business.

<b>Roles</b>	<b>Issues Concerned</b>	<b>Communications and Feedbacks Channels</b>
The Stock Exchange	Compliance with the Listing Rules, and timely and accurate announcements or circulars as required	Participation in meeting, training, company website updates and announcements
Government Departments	Compliance with laws and regulations, prevention against tax evasion and leakage, social welfare, compliance with epidemic prevention requirements and government development planning	Regular inspection tours by government departments, timely and accurate tax declaration, as well as regular communication and feedback with epidemic prevention and development departments
Suppliers	Stabilisation of demand and supply, provision of green products	Business communication with suppliers, signing procurement agreements, regular e-mail and telephone correspondence and regular assessment of suppliers
Investors	Corporate governance system, business strategy and performance, and investment returns	Organizing and participating in seminars, shareholders' meetings, providing financial reports or other reports to investors and analysts
Media and Public	Corporate governance, environmental protection, and human rights	Publishing newsletters on the corporate website and social media platforms
Customers	Product service quality, reasonable price and product values	Regular communication within the business team, field investigation of engineering projects and after-sales services
Employees	Interests and welfare, employee remuneration, training and development, working hours, and working environment	Training, interview with employees, internal memos, and employee's suggestion box
Community	Community environment, employment and community development, and social welfare	Developing community activities, volunteering activities of employees, and community welfare, subsidy and donation

# Environmental, Social and Governance Report (Continued)

## MATERIALITY ASSESSMENT

During the Reporting Period, the Group conducted the annual materiality assessment to identify the key ESG issues important to its business. The objective of materiality assessment is to identify ESG issues that are material and relevant to the Group’s operation. Reference is made to the ESG Guide to set ESG subject areas and aspects for all stakeholders’ assessment. The Group obtains feedback from all stakeholders through various communication channels. Details are set out in the table below:

Item No.	Low materiality ESG Issues	Item No.	Medium materiality ESG Issues	Item No.	High materiality ESG Issues
1	Exhaust emission	10	GHG emission/Global warming	19	Supply chain management
2	Energy usage	11	Employee rights and benefits	20	Labour standards in the supply chain
3	Water usage	12	Inclusion, equal opportunity and anti-discrimination	21	Customer satisfaction
4	Hazardous waste/ Wastewater	13	Talent attraction and retention	22	Customer privacy
5	Non-hazardous waste/ Wastewater	14	Occupational health and safety	23	Product quality and safety
6	Paper usage	15	Training and development	24	Economic performance
7	Deforestation caused by illegal logging	16	Measures to prevent child labour and forced labour	25	Compliance operation
8	Use of raw materials and packaging materials	17	Environmental protection	26	Corporate governance
9	Compliance with laws and regulations related to environmental protection	18	Community investment and participation	27	Anti-corruption

# Environmental, Social and Governance Report (Continued)

In view of the specific and enhanced requirements for climate-related information disclosures set out in the Environmental, Social and Governance Reporting Code of the Stock Exchange (effective in 2025), which emphasises potential financial materiality, the Group has re-examined relevant issues during the preparation of this report. Although the direct physical impacts of climate change are assessed to be relatively limited based on the current business model, considering the potential financial implications of transition risks (such as changes in policies and regulations, and market preference shifting towards low carbon) on the Group's long-term operating costs, market access and reputation, the Group, after prudent assessment, has adjusted the materiality level of the "GHG emission/Global warming" issue from the original assessment result to a "Medium" materiality issue. A dedicated analysis and disclosure regarding this issue have been provided in the "Climate-related Disclosures" section of this report. As stated above, following the Group's survey and assessment and considering the nature of the Group's business operations, it has been determined that the normal functioning of the Company does not exert a significant impact on the environment. Both internal management and external stakeholders generally agree that the social and operational ESG issues hold greater importance for the Group. Particular emphasis is placed on customer management, customer privacy, economic performance and anti-corruption measures. Consequently, we will focus on the management and continuous improvement of the areas encompassed by these ESG issues. We will be more proactive in maintaining communication with stakeholders and solicit advice from them through different channels to conduct a more comprehensive analysis. Meanwhile, we will revise the reporting principles of materiality, quantitative and consistency as necessary from time to time, so as to comply with reporting requirements and better satisfy expectations of stakeholders on the content and disclosure of the ESG Report.

## A. ENVIRONMENT

Environmental protection should not be an issue of concern only to governments and public welfare organizations. The Group is also committed to doing our utmost to reduce the impact on the environment during the business operation process.

The primary operations of the Group do not involve significant energy consumption, water usage, greenhouse gas emissions, or noise generation.

# Environmental, Social and Governance Report (Continued)

As a responsible enterprise, the Group strives to minimize the consumption of resources, avoid causing damage to the environment, improve corporate energy efficiency and resource utilization to save costs and promote sustainable development, so as to seize the new green market opportunities.

In terms of environmental protection, the Group consistently adheres to relevant laws and regulations applicable in Mainland China, including the Environmental Protection Law of the People’s Republic of China and the Energy Conservation Law of the People’s Republic of China.

The Group’s environmental goals for 2026 were proposed by the Group’s Executive Vice President and formulated upon deliberation and approval by the Board.

Relevant aspects	Goals
GHG emission	Maintaining the emission intensity of total GHG and other air pollutants (including CO <sub>2</sub> , nitrogen oxides, sulfur oxides, and particulate matter) in 2026 not exceeding the baseline of 2025
Reduction of wastes	Maintaining the total non-hazardous waste intensity in 2026 not exceeding the baseline of 2025
Utilization efficiency of energy	Maintaining the total energy consumption intensity in 2026 not exceeding the baseline of 2025.
Utilization efficiency of water	Maintaining the water consumption per employee in 2026 not exceeding the baseline of 2025.

Note:

- a. The above goals and the methodology for setting these goals have not been verified by a third party;
- b. Due to the nature of the industry in which the Group operates, the setting of this target did not adopt a sectoral decarbonization approach.

## A1. Emissions

In the course of our daily operations, the primary emissions generated by the Group include exhaust fumes from employee transportation, greenhouse gas emissions resulting from the use of daily resources (such as water, electricity, and paper), and indirect greenhouse gas emissions from the transportation required for employees’ business trips. The Group has taken the following measures to reduce emissions in its operations: (1) ensuring that all business activities related to gas, GHG emissions, and waste management strictly comply with relevant laws and regulations; and (2) continuously monitoring the progress of environmental management measures to ensure compliance with relevant regulations at all times. During the Reporting Period, the Group was not aware of any material non-compliance practices related to emissions that would have a significant impact on the Group.

# Environmental, Social and Governance Report (Continued)

## ***Air Pollution***

Given the Group's aforementioned primary business operations, the activities do not involve the use of gas or fossil fuels. The main source of air pollution emissions for the Group stems from the consumption of automotive fuels by the Group for daily transportation of employees or other business personnel. The air pollutants emitted from burning automotive fuels include nitrogen oxides (NOx), sulphur oxides (SOx) and particulate matter (PM). During the Reporting Period, details of the air pollutants emitted from automotive fuels due to the Group's business activities are presented in the table below:

<b>Source of Emission</b>	<b>Air Pollution</b>	<b>Air Pollutant Emissions in 2024 (kg)</b>	<b>Air Pollutant Emissions in 2025 (kg)</b>
Vehicle Emissions	NOx	0.8	<b>0.17</b>
	SOx	0.02	<b>0.01</b>
	PM	0.07	<b>0.01</b>
Total Air Pollutant Emissions		1.0	<b>0.28</b>
Per Capita Air Pollutant Emissions (kg/number of employees)		0.004	<b>0.001</b>

To reduce emissions, the Group requires all the users of the Company's vehicles to switch off the idling engine to avoid unnecessary emission.

## ***Greenhouse Gas ("GHG") Emission***

The continued GHG emissions will cause extremely severe impacts to the environment such as exacerbating global warming and leading to drastic climate changes and will pose great threats to the global ecosystem. Given that the Group's primary business operations do not involve the use of construction equipment for trenching works, and therefore do not involve the combustion of fuels from any stationary or mobile sources, the greenhouse gas emissions generated from the Group's daily operations mainly come from the use of vehicles, the consumption of electrical energy in business activities at the Nanchang headquarters, and indirect greenhouse gas emissions from various other business activities, such as the disposal of waste paper to landfills, the use of electrical energy for processing potable and wastewater, and employees traveling by air for business trips:

According to the Reporting Code on Environmental KPIs issued by the Stock Exchange, greenhouse gas emissions can be categorized into the following three main scopes:

- Scope 1: Covers greenhouse gas emissions directly generated by businesses owned or controlled by the Company, such as greenhouse gas emissions from fuel combustion of stationary sources and mobile sources;

# Environmental, Social and Governance Report (Continued)

- Scope 2: Covers the “energy indirect” emissions of greenhouse gas from electricity, heat, cooling and steam consumed within the Company, such as greenhouse gas emissions in relation to purchased electricity and/or town gas;
- Scope 3: Covers all other indirect greenhouse gas emissions, including emissions from both upstream and downstream activities, that occur outside the Company, such as methane generated during the process of waste paper being delivered to landfills, electricity consumed by water supply authority for processing fresh water and sewage, etc.

For more details, please refer to the table below:

Scope	Source of greenhouse gas emissions	Greenhouse gas emissions in 2024 (tonne)	Greenhouse gas emissions in 2025 (tonne)
Scope 1	Direct GHG emissions from the use of vehicles	0.9	0.4
Scope 2	Energy indirect greenhouse gas emissions from purchased electricity	302	181
Scope 3	Waste paper disposed of in the landfill	1.5	0.3
	Electricity consumed for the treatment of drinking water and sewage	1.5	0.6
	Business air travel by employees	20	18
Data of GHG emissions		326	200
Total GHG emissions (tonnes)		1.5	1.1

Notes:

- In 2025, we re-examined the reporting scope and adjusted certain data for 2023 and 2024 to enable a more meaningful year-on-year data comparison.
- The methodologies adopted for the calculation of the above GHG emissions are based on the “How to Prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, The GHG Protocol: Corporate Accounting and Reporting Standard and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- The emission factor coefficient used in calculating Scope 1 emissions was derived by referring to the gasoline CO<sub>2</sub> emission factor of approximately 2.3 kg CO<sub>2</sub>/liter based on the Chinese default parameters in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

# Environmental, Social and Governance Report (Continued)

- d. The electricity emission factor coefficient used in calculating Scope 2 emissions was derived by referring to the average provincial electricity carbon dioxide emission factor of 0.5836 kg CO<sub>2</sub>/kWh for Jiangxi Province in 2023 in the “Announcement on the Carbon Dioxide Emission Factors of Electricity in 2023” (《關於發佈2023年電力二氧化碳排放因子的公告》) (Announcement No. 47 of 2025) jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics on 31 December 2025.
- e. The GHG emission factor for disposal of waste paper to landfills used in calculating Scope 2 emissions was derived by referring to the GHG emission factor for disposal of waste paper to landfills of approximately 3,360 kg CO<sub>2</sub>e/t based on the basic calculation parameters provided by the Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (2025 Edition) and the National Greenhouse Gas Emission Factor Database.
- f. The total amount of wastewater generated by the Group is primarily determined through direct measurement, supplemented by appropriate estimations. In cases where accurate recording of the wastewater amount is challenging, it is assumed that 100% of the fresh water consumed by the Group directly enters the buildings’ sewage system.

The Group has adopted the following measures to mitigate GHG emissions: (1) reminding employees to switch off any idle appliances and lighting, and to switch off conference equipment promptly after the conclusion of the meeting; (2) implementing management control to monitor the use of vehicles.

## ***Waste Management***

The Group’s business activities did not generate any hazardous waste, and the Group’s non-hazardous wastes were mainly produced from paper for printing used in its daily business operation. During the Reporting Period, the Group generated and disposed of approximately 0.89 tons of waste paper to the landfills, with a non-hazardous waste density of about 0.005 tonnes per employee. The Group encouraged staff to save paper, process daily documents by using double-sided printing and to collect recyclable waste paper for reuse. The Group also conducts monitoring and review of the Group’s daily business processes and uses electronic documents in place of unnecessary paper documents to reduce the consumption of paper. During the Reporting Period, the Group was not aware of any material non-compliance practices related to wastes that would have a significant impact on the Group.

## ***Noise Management***

In view of the fact that the Group’s business is mostly conducted on a manpower basis in conjunction with equipment (telecommunication equipment and wireless equipment) provided by its customers for telecommunication hosting facilities services and smart city solutions services, the Group hardly involves in road excavation or construction works in the course of its business activities and therefore does not involve in any noise pollution situations.

Note: The paper consumption in 2025 was calculated based on the actual records of the quantity of paper ordered from the suppliers.

# Environmental, Social and Governance Report (Continued)

## A2. USE OF RESOURCES

The Group recognizes that reducing carbon footprint should start from the source. We not only encourage employees to avoid wasting public resources such as water, electricity and paper in their daily work, but also strive to improve energy efficiency, advocate resource conservation, and enhance the utilization efficiency of energy and resources. Since electricity and water are the primary resources consumed by the Group, we place high priority on the effective use of resources to ensure that no resource wastage occurs in our daily operations.

### *Energy Consumption*

Given that the Group's business activities scarcely involve the use of any construction equipment for trenching works, and therefore do not involve the use of any gas or fossil fuels, the Group's direct energy consumption primarily comes from the gasoline and diesel required for vehicles operation, while indirect energy consumption mainly stems from the consumption of externally purchased electricity. In 2024, the Group generated and used approximately 2,300.2 kWh and 1,000.2 kWh of energy through the direct consumption of gasoline and diesel, respectively, and the Group's electricity consumption was about 517,809.0 kWh, with a total energy consumption of approximately 521,109.4 kWh, resulting in a per capita energy consumption of about 2,375.2 kWh/person. During the Reporting Period, the Group generated and used approximately 1,710.0 kWh of energy through the direct consumption of gasoline, respectively, and the Group's electricity consumption was about 310,649.0 kWh, with a total energy consumption of approximately 312,359.0 kWh, resulting in a per capita energy consumption of about 1,652.7 kWh/person.

In terms of energy management and conservation as well as emission reduction, the Group adopted a series of measures during the Reporting Period to enhance energy efficiency and lower carbon emissions:

We introduced electrical appliance monitoring systems to track real time electricity usage in the office areas, thereby reducing unnecessary energy consumption. Meanwhile, we actively advocate green commuting by encouraging employees to use public transport and optimising the management of official vehicles. We are gradually phasing out high-emission vehicles to reduce transport-related energy consumption.

By implementing the aforementioned initiatives, the Group effectively reduced its overall energy consumption and carbon emission intensity during the Reporting Period, further demonstrating its commitment to sustainable operations. In future, we will continue to explore additional technological innovations and management enhancements to systematically advance our energy conservation and carbon reduction efforts.

# Environmental, Social and Governance Report (Continued)

## ***Water Resource Consumption***

Given the aforementioned primary business operations of the Group, the use of water resources is scarcely involved in the Group's business activities. The Group's water usage is primarily for the office located in Nanchang. In 2024, the Group's water consumption was approximately 2,264 m<sup>3</sup>, with a related water consumption density of about 10.3 m<sup>3</sup> per capita. During the Reporting Period, the Group's water consumption was approximately 992 m<sup>3</sup>, with a related water consumption density of about 5.2 m<sup>3</sup> per capita.

To continuously facilitate water conservation, the Group adopted multiple measures during the Reporting Period. On one hand, we strengthened publicity education to enhance water-saving awareness among all employees and established mechanisms to monitor waste. On the other hand, we optimised water usage equipment in major office areas, with the administrative management department regularly inspecting and maintaining the water supply system to promptly repair any leakage. Through these efforts, the Group's per capita water consumption during the Reporting Period decreased compared to the previous year, demonstrating significant results in water resource management. The water supply remained stable, and no material related violations occurred.

## ***Packaging Materials***

Since the Group's primary business is providing communication technology services, packaging materials are not used during the course of business operations.

### **A3. THE ENVIRONMENT AND NATURAL RESOURCES**

The resources and energy consumed by the Group's main business activities are mainly water, electricity, diesel and gasoline and the pollution caused by business activities to the environment is mainly small amounts of air pollutants and greenhouse gas emissions. The management of the Group is responsible for overseeing the daily operations by reminding all employees of implementing the Group's energy-saving and emission-reduction measures, criticizing and rectifying the waste of resources, and avoiding unnecessary resource consumption, so as to minimise the adverse impact on the environment. Furthermore, the Group has also obtained the ISO14001:2015 Environmental Management Certification from the International Organization for Standardization (ISO), which affirms the Group's adoption of an environmental management system to control the environmental impact of business activities, demonstrates the Group's achievements made in environmental performance, and recognizes the accomplishments in balancing environmental, social, and economic aspects. In the future, the Group will continue to effectively manage and reduce environmental risks according to the content and requirements of ISO14001:2015, and pay more attention to issues such as environmental pollution, low resource utilization efficiency, improper waste management, climate change, ecosystem degradation, and loss of biodiversity. The Group strives to become an environmentally responsible enterprise and achieve the goal of sustainable development.

# Environmental, Social and Governance Report (Continued)

## B. SOCIAL ASPECTS

### B1. Employment

Human resources are the foundation to support the development of the Group. We believe that every employee plays a vital role in executing a good service experience for our customers. We dedicate in offering a pleasant working environment that encourages communication, innovation, continuous learning and fosters employee engagement.

During the Reporting Period, we were not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group such as the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》) and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》). During the Reporting Period, the Group was not aware of any material non-compliance with labour laws and regulations that would have a significant impact on the Group.

As at 31 December 2025, the Group had 189 employees (including directors and senior management). All employees are full-time staff. Employees' composition by gender, age group and job category is shown as follows:

	As at 31 December 2024	<b>As at 31 December 2025</b>
<b>Employee Statistics</b>		
By gender		
Male	161	<b>130</b>
Female	57	<b>59</b>
<b>Total</b>	<b>218</b>	<b>189</b>
By age group		
18-25	4	<b>9</b>
26-35	78	<b>66</b>
36-45	86	<b>70</b>
46-55	36	<b>32</b>
56-65	13	<b>12</b>
Over 65	1	<b>0</b>
<b>Total</b>	<b>218</b>	<b>189</b>

## Environmental, Social and Governance Report (Continued)

	As at 31 December 2024	<b>As at 31 December 2025</b>
<b>Employee Statistics</b>		
By job category		
Front-line employees	189	<b>158</b>
Middle management	15	<b>16</b>
Senior management	14	<b>15</b>
Total	218	<b>189</b>

### **Staff Compensation**

The Group offers employees competitive remuneration packages. We believe that fair and reasonable remuneration can effectively serve as a motivational tool for employees, enhancing their enthusiasm, initiative, loyalty, and execution capabilities, conveying positive messages to employees, acknowledging their contributions, and encouraging them to strive for greater achievements, so that employees are inspired to proactively explore their strengths and potential, continuously improve their skills, thereby creating more value for the enterprise and contributing to its healthy development. Furthermore, fair and reasonable remuneration also aids the Group in attracting external talent, which is essential for achieving our goal of continuous expansion and development. The benefits provided by the Group to employees include, but are not limited to, on-the-job training, bonuses, and various subsidies. Additionally, the Group conducts annual performance evaluations based on two key aspects: “key tasks” and “economic indicators,” as assessed by the employees’ direct supervisors. The results of these evaluations are communicated to the employees, highlighting areas for improvement while encouraging them to set clear development goals. This approach not only motivates employees to continuously progress but also ensures that their performance aligns with the Group’s expectations and requirements. At the same time, we recognize the importance of climate-related factors to the long-term development of the enterprise. Given the current nature of our industry’s operations and the available assessment methodologies, it remains challenging to establish an effective linkage between individual employee performance and climate-related considerations. Therefore, these factors have not yet been incorporated into the current compensation and performance appraisal policies.

Due to a series of measures implemented by the Group, the overall turnover rate of the Group was approximately 13.3% during the Reporting Period, with all departing employees from Mainland China. When categorized by age group, the number of employees aged 18-25 increased by 125.0%, while the number of employees aged 26-35 decreased by 15.4%, those aged 36-45 decreased by 18.6%, those aged 46-55 decreased by 11.1%, those aged 56-65 decreased by 7.7%, and those aged over 65 decreased by 100.0%. When categorized by gender, the number of male employees decreased by 19.3%, while the number of female employees increased by 3.5%.

# Environmental, Social and Governance Report (Continued)

## B2. Health and Safety

### *Work Safety*

The health and safety of our employees are always our top priorities. We have established a set of engineering safety policies that outline the requirements and precautions to be observed during engineering projects. These policies guide our employees on how to identify and control risks affecting work safety, aiming to reduce potential accidents and mitigate safety risks. We require our employees to strictly adhere to our safety policies during daily engineering operations. Additionally, we provide all employees with labour protection gear to ensure that employees in production jobs have available and sufficient protective equipment at work, thereby promoting a healthy and safe working environment. During the Reporting Period, the Group was not aware of any material non-compliance practices related to labour health and safety that would have a significant impact on the Group.

Any employee suffering from work-related injuries is entitled to indemnification treatment in accordance with relevant national regulations, and the Group will also provide sufficient work-related injury leave to enable employees to have sufficient rest and recover. During the Reporting Period, the Group has no record of any cases of work-related injuries. During the Reporting Period and the past two financial years, the Group has no record of any work-related fatalities. The Group promises to provide employees with a healthy and safe working environment to the best of our ability in the future.

## B3. Development and Training

The progress of the employees is indispensable for the Group's sustainable development. Therefore, the Group provides adequate and effective training for its employees. It also emphasizes that the employees' competency must meet the expectations and requirements of the Group so that they can complement each other. All newly joined employees are subject to a 6-month probationary period and evaluation, during which the department head will provide advice and comments based on their performance to ensure that their abilities and performance meet the Company's standards. We provide internal and external training to its employees to enhance their work abilities from time to time. If any employee does not get satisfactory results in his or her performance appraisal, the Group will consider providing additional training to ensure that every employee can meet the requirements of their positions. In addition, we also provide on-the-job training for front-line staff to familiarize them with the business processes of departments and positions, as well as staff codes such as personnel systems and anti-corruption mechanisms, so that they can more easily integrate into and adapt to the new working environment. After each training course, the Group will listen to the feedback from each employee to improve the training content so as to maximize its effectiveness.

## Environmental, Social and Governance Report (Continued)

In 2024, the number of employees of the Group who received training was 35, accounting for approximately 16.1% of the total number. Among them, 25 were male employees and 10 were female employees. Categorized by job category, 24 were front-line employees, 8 were middle management personnel, and 3 were senior management personnel. Each middle and senior management personnel received an average of 2 hours of training, while front-line employees received approximately 1 hour of training, with male and female employees receiving the same hours of training.

During the Reporting Period, the number of employees of the Group who received training was 28, accounting for approximately 14.8% of the total number. Among them, 18 were male employees and 10 were female employees. Categorized by job category, 19 were front-line employees, 6 were middle management personnel, and 3 were senior management personnel. Each middle and senior management personnel received an average of 2 hours of training, while front-line employees received approximately 1 hour of training, with male and female employees receiving the same hours of training.

### **B4. Labour Standard**

The Group recognises that the employment relationship shall be based on mutual equality, respect, and tolerance. Any form of forced or compulsory labour must be opposed and eradicated. Therefore, we are committed to never threatening any individual with forced labour to work for the Group. Additionally, we recognize the importance of physical, mental and educational development for children in their formative years, and as such, we do not employ child labour in any form. When hiring new employees, our human resources department is responsible for verifying the identity documents of applicants to ensure they meet the legal working age. Beyond prohibiting child labour and forced labour, we strictly adhere to the Labour Law of the People's Republic of China, providing employees with wages that are not less than the local statutory minimum wage. During the reporting year, there were no labour disputes within the Group. We pledge to continue upholding legal standards, and if any employee encounters or discovers violations, he/she can report them to management through our whistleblowing mechanism. The management will treat such matters seriously and take appropriate follow-up actions. In addition to our internal standards, if we find out that any of our clients or suppliers engage in the use of child labour or forced labour, we will terminate our cooperation with the relevant clients or suppliers to express our stance and position on eradicating any form of child labour and forced labour. During the Reporting Period, the Group did not have any incidents of employing child labor or forced labour.

# Environmental, Social and Governance Report (Continued)

## B5. Supply Chain Management

The communication network engineering, maintenance and optimisation services provided by the Group rely heavily on the construction teams we commission to assist in completing most of our engineering projects. Additionally, we are responsible for procuring the materials and equipment required for these projects. Therefore, we place great emphasis on the management and evaluation of our suppliers. During the Reporting Period, the Group has cooperated with 43 suppliers respectively, all of them are located in Mainland China. We have established stringent evaluation criteria for the selection of suppliers. Project managers conduct thorough reviews and assessments of suppliers before procuring their services or products.

In the process of selecting suppliers, we will evaluate the supplier's company background, business scope, reputation, quality of services or products, and pricing, among other factors, to ensure that the services, materials and goods provided by the suppliers meet the stringent requirements and standards of the Group. The Group will list the suppliers that have passed the above review and inspection into the list of qualified suppliers, and regularly evaluate them every year to check their pricing, quality of services and supplies, efficiency, reliability, punctuality and credit rating. The results of the evaluations conducted by project managers are submitted to the management for approval. Suppliers failing to meet our assessment criteria will no longer be considered for any service or product procurement.

The Group selects reliable suppliers with excellent reputations to provide products and services of high quality, reasonable price and sustainability. The Group has a transparent and independent procurement process in place to enhance competitiveness, which at the same time safeguards the interests of our shareholders and other stakeholders as well.

It is the Group's expectation to cater to the needs of its customers by integrating procurement resources, promoting system for supplier's selection and management to forge a vertically integrated supply chain management system and offer comprehensive solutions actively. Additionally, prior to the commencement of a project, the project department of the Group is responsible for conducting comprehensive briefings with the on-site supervisors and operational personnel of the suppliers. These briefings cover safety requirements, quality standards, technical specifications and environmental protection measures. We mandate that the supplier's operational teams adhere to compulsory safety operation procedures, ensuring that all personnel understand the Group's requirements for project operations, including process implementation, operational safety, and environmental protection.

## Environmental, Social and Governance Report (Continued)

Before the supplier's operational teams enter the site, the Group arranges training sessions for the supplier's labour personnel on operational standards, management regulations, quality, and work safety. Participation in these training sessions is mandatory, and personnel must pass the associated examinations before they are allowed to commence work. This is to minimise the risk of industrial accidents during production. Throughout the construction process, the Group's project department also conducts random inspections of the operational teams regarding quality and work safety to allow for the timely correction and penalization of any non-compliant operations and ensure the safety of the supplier's labor personnel during the construction process.

### **B6. Product Responsibility**

Timely and high-quality completion of service quality engineering projects is our consistent requirement. We believe this approach helps the Group establish a strong corporate image within the communications engineering industry, fosters ongoing mutual trust with our clients, and supports the long-term development of our enterprise in the future. The engineering projects undertaken by the Group strictly adhere to industry standards and guidelines. We have project supervisors in place to monitor the quality of the projects, and our project managers are responsible for ensuring the quality of project deliverables, guaranteeing that all projects delivered by the Group meet the full range of our clients' requirements.

During the reporting year, we held various recognition certificates issued or awarded to us by different government departments, including but not limited to qualification certificates granted by the Ministry of Housing and Urban-Rural Development of the People's Republic of China and the Nanchang Administrative Approval Bureau, such as:

"Grade I General Contracting Qualification for Communication Engineering Construction"

"Grade B in Electronic, Communication and Broadcasting Specialty (Wired Communication, Wireless Communication)"

"Grade II Professional Contracting Qualification for Electronic and Intelligent Engineering"

"Class II Professional Contracting for Steel Structure Engineering"

"Construction Labour Service Qualification (Non-Graded)"

"Class II General Contracting for Construction Engineering"

"Class II General Contracting for Electric Power Engineering Construction"

"Grade II Professional Contracting for Urban and Road Lighting Projects"

"Grade II Professional Contracting Qualification for Environmental Protection Engineering"

## Environmental, Social and Governance Report (Continued)

In addition, we have also obtained the ISO9001:2015 Quality Management System Certification awarded by the International Organization for Standardization (ISO), demonstrating that the Group has established a sound quality management system to give our customers confidence in the quality assurance of our services.

Since we do not sell products, the key performance indicators for product recalls due to safety and health reasons are not directly relevant to us. Nonetheless, we are committed to ensuring that the engineering projects we deliver do not result in complaints from our clients due to quality issues. Thanks to our effective management and strict quality control over engineering projects, we did not receive any complaints regarding our construction services during the Reporting Period. Should we receive any complaints related to our engineering projects, our project managers are responsible for understanding the nature of the complaints and reporting them to the management. The management will then discuss and formulate responses and solutions, aiming to satisfy our clients with how we handle complaints and to ensure that the issues are properly resolved.

### ***Observing and Protecting Intellectual Property Rights***

As a High and New Technology Enterprise (高新技術企業) accredited by the Jiangxi Province Science and Technology Department (江西省科學技術廳), we constantly encourage and advance the research and development of new technologies related to the telecommunication engineering industry. The Group has established a Technology Research and Development Department, primarily responsible for project research and development, invention patents and the filing of technology research and development of the Group. As an enterprise with its own independent research and development department, we fully understand the importance of observing and protecting intellectual property rights. If the technology we developed and the intellectual property rights we possessed cannot be effectively protected, it will not only harm the Group's interests but also cause investors to lose confidence in the Group. Except for protecting the intellectual property rights of the Group, we also strictly prohibit any infringement of others' intellectual property rights. If any of our employees are found to have infringed on the intellectual property rights of others, we will adopt a zero-tolerance policy and, if necessary, may consider taking legal action. During the Reporting Period, the Group was not involved in any significant event on the infringement of intellectual property rights. In addition, we have adopted all reasonable measures to prevent any infringement of the intellectual property rights of third parties.

### ***Privacy Policy***

Confidentiality of sensitive information is of great importance to the Group. Every new employee is required to sign a confidentiality agreement and strictly follow its terms to ensure that every employee understands the Group's confidentiality requirements for sensitive information, including the information of our customers and trade secrets within the Group. Unauthorised disclosure of the information is strictly prohibited to prevent direct or indirect leakage of data. For any unauthorised disclosure of the information within the Group, information of the customers or personal information, the Group will also adopt a zero-tolerance policy and, if necessary, may consider taking legal action.

# Environmental, Social and Governance Report (Continued)

## B7. Anti-Corruption

The Group strictly prohibits any act of bribery, extortion, fraud or money laundering, so as to set up a good commercial operation structure. Dishonest behaviors prohibited by the Group mainly include but are not limited to:

- Offering and accepting bribes;
- Provision of illegal political contributions;
- Improper charitable donation or sponsorship;
- Provision or acceptance of unreasonable gifts, entertainment or other improper interests;
- Other defined misconducts.

The Group requires its employees to strictly abide by the Regulations of the People's Republic of China for Suppression of Corruption, and to make the commitments as follows: while engaging in business practices, employees must not directly or indirectly provide, undertake, require or accept any illegitimate benefits, or carry out other dishonest acts in breach of good faith, law or national regulations, including criminal offences such as corruption, bribery, extortion, fraud or money laundering, and other acts such as providing illegal political contributions, improper charitable donations or sponsorships, providing or accepting unreasonable gifts, entertainments or other illegitimate benefits, infringing business secrets, trademark rights, patent rights, copyrights and other intellectual property rights, engaging in unfair competition, etc. Employees of the Group are required to report any benefits received, for which the Group will make the final decision and disposal. To raise awareness of anti-corruption among all staff and encourage them to comply with the Code of Ethics, the Group provides anti-corruption training to our directors and employees at all levels from time to time.

During the Reporting Period, neither the Group nor its employees were prosecuted for corruption, bribery, extortion, fraud or money laundering.

# Environmental, Social and Governance Report (Continued)

## ***Anti-money Laundering***

The Group has formulated the Anti-Money Laundering Management Measures to prevent money laundering and terrorist financing activities, fulfill legal responsibilities and social obligations related to anti-money laundering, establish and improve management mechanisms for anti-money laundering and counter-terrorist financing, and maintain the secure and stable operation of the Company's business. These measures outline a series of requirements aimed at combating money laundering, including the preservation of customer identity information and transaction details, procedures for identifying, analyzing, and reporting suspicious transactions, internal audit, training, and awareness requirements, internal procedures for cooperating with anti-money laundering investigations, and confidentiality measures for anti-money laundering work. To ensure the effective implementation and enforcement of the Group's policies and systems related to anti-money laundering and counter-terrorist financing, we have established a management framework for anti-money laundering. This includes the formation of an Anti-Money Laundering Leadership Group, primarily responsible for the unified deployment of the Group's anti-money laundering and counter-terrorist financing efforts.

## **B8 : Community Investment**

The Group is committed to making a positive impact on its internal and external stakeholders, as well as the communities we interact with through active social or philanthropic investments. As part of the Group's strategic development, the Group is committed to supporting social participation and contribution through public means.

The Group encourages employees to care for and spend time in the local communities through participating in all kinds of social activities such as attending local community activities and charitable donations. Employees are also encouraged to participate in environmental protection activities and promote environmental awareness within the Group. In 2025, the Group organised and participated in a total of three urban public welfare and environmental protection related activities in Jiangxi Province.

# Environmental, Social and Governance Report (Continued)

## CLIMATE-RELATED DISCLOSURES

### Introduction

This section is prepared in accordance with the requirements of Part D of the Environmental, Social and Governance Reporting Code (the “**ESG Code**”) of The Stock Exchange of Hong Kong Limited, with reference to the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD). It aims to disclose the Group’s climate-related risks, opportunities, governance, and response strategies during the Reporting Period (from 1 January 2025 to 31 December 2025).

### 1. Governance

The Board recognises the potential risks and opportunities brought by climate change and bears the ultimate oversight responsibility therefor. While the Group has not established a separate sustainability committee at present, it has incorporated climate-related matters into its core oversight scope through its existing governance structure.

Oversight Responsibilities of the Board: The Board is responsible for overseeing the Group’s climate-related strategies, significant risks and objectives. The Board receives dedicated reports from the management on ESG and climate matters at regular Board meetings (at least once a year), covering:

- Environmental performance during the Reporting Period (e.g. GHG emissions, energy consumption data);
- Identified material climate-related risks and opportunities, and the assessment of their potential impact on the business;
- Progress on strategies and measures adopted to manage the above risks and capture the relevant opportunities;
- Review and approval of environmental and climate-related targets for the forthcoming year.

Through this process, the Board ensures that climate issues are fully discussed, that relevant strategies are aligned with the business strategy, and that necessary resources are allocated to advance such initiatives.

# Environmental, Social and Governance Report (Continued)

Management's Executive Responsibilities: The Board delegates to the Group's Executive Vice President the day-to-day management and implementation of climate-related matters. The General Department under the management team acts as the executing unit, with key responsibilities including:

- Collect and verify climate-related performance data (e.g. emissions, energy consumption);
- Continuously monitor internal and external environments to identify and assess emerging climate-related risks and opportunities;
- Formulate and implement specific emission reduction, energy conservation and climate adaptation measures;
- Prepare climate-related disclosures for the ESG report and materials for reporting to the Board;
- Communicate the climate policies and targets of the Company to all employees and enhance related awareness.

Through the clear division of responsibilities under the "Board oversight – management execution" structure outlined above, the Group has established an effective climate governance mechanism, ensuring that climate-related issues are properly managed at both the strategic and operational levels.

## 2. Strategy

In response to the enhanced disclosure requirements under the ESG Code, the Group has, for the first time, conducted a dedicated identification and assessment of climate-related risks and opportunities in accordance with the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD), with a view to examining their potential impact on the Group's business, strategy and financial planning.

# Environmental, Social and Governance Report (Continued)

## a) *Identified climate-related risks and opportunities*

The table below outlines the climate-related risks and opportunities faced by the Group over the short term (1 to 3 years), medium term (4 to 5 years) and long term (more than 5 years):

Category	Specific risks/ opportunities	Timeframe of impact	Relevancy to the Group's business
Physical risks	Extreme weather events (acute)	Short/medium/ long term	Extreme weather events such as heavy rainstorms, floods and extreme high temperatures may directly cause suspension of construction works for outdoor telecommunication projects, damage to equipment, and affect project progress, personnel safety and project costs. This represents the most direct and tangible climate-related impact at present.
	Long-term shifts in climate patterns (chronic)	Long term	The continuous rise in average summer temperatures will directly reduce the effective working hours suitable for outdoor operations. This may lead to lower construction efficiency and unintended project delays, thereby potentially adversely affecting operational efficiency and cost control.

# Environmental, Social and Governance Report (Continued)

Category	Specific risks/ opportunities	Timeframe of impact	Relevancy to the Group's business
Transition risks	Policy and regulatory changes	Medium/long term	Stricter carbon emission or environmental protection regulations may lead to increased compliance costs or require adjustments to operational models.
	Market	Long term	Driven by the “dual carbon” goals, incorporating environmental indicators such as carbon emissions into procurement considerations has become common practice and a policy requirement for state-owned enterprises represented by the five major telecommunications operators. Their own emphasis on energy conservation and carbon reduction is directly translating into green management pressure on the supply chain, making suppliers’ environmental performance a key factor affecting bidding outcomes.
	Technological iteration	Long term	The low-carbon concept is driving the upgrading of industry construction technical standards, processes and materials. Failure to promptly grasp new green construction norms and requirements may lead to technical mismatches, cost overruns or compliance risks during project bidding and execution phases, thereby affecting market competitiveness.

## Environmental, Social and Governance Report (Continued)

Category	Specific risks/ opportunities	Timeframe of impact	Relevancy to the Group's business
Climate-related opportunities	Improvement in operational efficiency	Short term	By optimizing office energy consumption, and implementing paperless office and remote collaboration (as described in Report A.2), operating costs can be directly reduced, which is consistent with the Group's cost control strategy.
	Emerging market demand	Medium term	The development of smart cities, green buildings, new energy infrastructure and other sectors may generate new demand for supporting green telecommunication projects and solutions, which represents a potential direction for future business expansion.
	Supply chain collaboration	Medium term	Working with suppliers to focus on environmental performance helps enhancing the stability and compliance of the overall supply chain and manage indirect risks.
	Financing channels	Medium/long term	Systematic climate risk management and transparent disclosure help enhancing the Group's reputation with financial institutions and the capital markets, which are important considerations for accessing emerging financing instruments such as "green loans" or "sustainability-linked loans". This not only helps diversify financing channels but may also directly reduce interest expenses through more favourable interest rates, thereby cutting cash outflows, indirectly boosting the net amount of operating cash flow, and exerting a positive impact on overall financing cash flows.

### **b) Strategic considerations and climate resilience**

Market and customer strategy: We recognize that the green procurement trend among our key customers (telecommunication operators) constitutes a distinct long-term transformation risk. Therefore, in our business strategy, we have identified "green delivery capabilities" as one of our core competencies to cultivate.

# Environmental, Social and Governance Report (Continued)

Operations and cost strategy: The response to physical risks (such as extreme weather) is integrated into the standard emergency response plans for project management. At the same time, improving operational energy efficiency (e.g. office energy conservation, vehicle electrification) is clearly defined as an ongoing cost-control strategy, where energy savings directly contribute to profit targets.

Cash flow management: Cash savings generated from improved operational energy efficiency are regarded as one of the stable internal cash flow sources. Meanwhile, to address potential maintenance costs or project delay expenses caused by sudden physical risks, contingency reserves are allocated in project budgets and incorporated as a key factor in cash flow stress tests.

Financing strategy: We monitor trends in the green finance market. When evaluating financing options, we consider products such as “sustainability-linked loans”. Sound climate risk management and disclosure aim to maintain the Group’s credit standing and lay the foundation for accessing more favourable financing if required in the future, so as to manage the overall medium-to-long-term financing costs.

The Group recognizes the value of scenario analysis in assessing strategic resilience. At present, we primarily adopt a “policy-driven scenario” for qualitative assessment: i.e. by using the national “dual carbon” goals and customers’ emission reduction commitments as the baseline scenario, we analyze their potential gradual impact on future tendering standards and construction specifications. This analysis has been preliminarily applied in the scenarios described above.

The Group’s current capabilities and data foundation are not yet mature for more complex quantitative scenario analysis. Going forward, as data accumulation and management systems improve, we will gradually explore its use in assessing the potential impact of long-term physical risks and operating costs.

## **c) Financial Impact**

Currently, based on the types of risks identified (primarily long-term transition risks with high uncertainty and acute physical risks with low frequency of occurrence) and the existing management measures, the management assesses that climate-related issues have not yet had a significant direct impact on the Group’s financial position, operating results, and cash flows during the reporting period, and it is difficult to reliably and reasonably quantify such impact.

At the same time, the long-term nature and uncertainty of climate change present objective difficulties in making precise predictions regarding its future financial impact. The Group will continue to monitor changes in the internal and external environment, enhance data management capabilities, and strengthen the disclosure of related financial impacts in its financial reports or this ESG report in the future when sufficient and reliable basis can be obtained.

# Environmental, Social and Governance Report (Continued)

## 3. Risk Management

The Group has established systematic processes to incorporate climate-related risks and opportunities into its existing risk management and decision-making frameworks, ensuring they are promptly identified, prioritized, effectively addressed and continuously monitored.

The Group's climate-related risk identification is an ongoing process that combines regular monitoring and dedicated assessments:

Identification mechanism: Risks are identified mainly through strategy and policy scanning, project department reviews, supply chain assessments and other channels;

Assessment and prioritization: Identified risks are qualitatively assessed using a two-dimensional matrix of "impact severity" and "likelihood of occurrence" to determine their priority. The assessment considers the potential impact of risks on financial performance (e.g., project costs, revenue), strategic objectives (e.g., market access) and reputation.

Climate-related risks after assessment and prioritization are regularly reviewed at the management monthly meetings and form part of the key ESG topics reported to the Board of Directors, achieving integration with the Group's overall governance structure.

## 4. Indicators and Targets

To assess and manage the performance in relation to climate-related risks and opportunities, the Group has established the following key performance indicators and targets to track progress, measure performance and guide decision-making.

### **a) Indicators for assessing climate-related issues**

Quantitative data on the Group's absolute greenhouse gas emissions during the reporting period are disclosed in details in Section A. Environmental (pages 62-66) of this report.

The environmental targets of the Group set for 2026 are disclosed in details in Section A. Environmental (page 62) of this report.

### **b) Internal Carbon Pricing**

Currently, internal carbon pricing has not been formally established or mandated as a compulsory financial assessment parameter in the Group's investment and operational decision-making processes. The Group has taken note of the evolving trend of carbon pricing mechanisms as a key policy tool for addressing climate change and is actively gathering relevant information to lay the groundwork for developing an internal carbon pricing mechanism in the future.

# Independent Auditor's Report

## Independent auditor's report to the shareholders of ZHONGGAN COMMUNICATION (GROUP) HOLDINGS LIMITED

*(Incorporated in Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of ZHONGGAN COMMUNICATION (GROUP) HOLDINGS LIMITED (“**the Company**”) and its subsidiaries (“**the Group**”) set out on pages 91 to 168, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

### BASIS FOR OPINION

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

# Independent Auditor's Report (Continued)

## KEY AUDIT MATTERS

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

### Revenue recognition

*Refer to note 3 to the consolidated financial statements and the accounting policies on page 120.*

#### The Key Audit Matter

The Group's revenue is principally derived from provision of infrastructure construction services, which accounted for 91 % of the Group's total revenue for the year.

The Group recognises revenue from provision of infrastructure construction services over time using input method to measure performance progress based on the proportion of the actual costs incurred relative to the estimated total costs.

We identified the recognition of revenue based on performance progress as a key audit matter because revenue is one of the key performance indicators of the Group and may be recorded in an incorrect accounting period to meet performance expectations.

#### How the matter was addressed in our audit

Our audit procedures to assess the recognition of revenue included the following:

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over revenue recognition;
- inspecting contracts with customers, on a sample basis, to understand the terms of the transactions including contract amounts, scope of work, construction period and payment terms and assess if the Group's revenue recognition criteria were in accordance with the requirements of the prevailing accounting standards;
- inspecting, purchase invoices and other relevant underlying documentation on a sample basis for costs incurred before and after the financial year end date to assess whether the costs were accounted for in the appropriate period; and
- inspecting sales journals during the financial year that met certain risk-based criteria and comparing details of these journals with the relevant underlying documents.

# Independent Auditor's Report (Continued)

## KEY AUDIT MATTERS (Continued)

### Expected credit loss allowance for contract assets and trade receivables

Refer to note 25 to the consolidated financial statements and the accounting policies on page 153.

#### The Key Audit Matter

As at 31 December 2025, the Group's gross contract assets and trade receivables totalled RMB1,386 million, against which an allowance of RMB58 million for expected credit losses (ECLs) was recorded.

The Group measures the loss allowance for its contract assets and trade receivables at an amount equal to lifetime ECLs. For the contract assets and trade receivables without significant financing components, ECLs are estimated using a provision matrix, which takes into account the ageing of the trade receivable balances and the Group's historical collection experiences. For the trade receivables with significant financing components, the Group assesses the ECLs under a simplified approach individually, based on the customer-specific conditions.

We identified the measurement of the ECL allowance for contract assets and trade receivables as a key audit matter because of the significant balances at the end of the reporting period and determining the level of the loss allowance requires the exercise of significant management judgement, which is inherently subjective.

#### How the matter was addressed in our audit

Our audit procedures to assess the ECL allowance for contract assets and trade receivables included the following:

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to estimation of the ECL allowance;
- evaluating the Group's policy and selected methods for estimating the ECLs with reference to the requirements of applicable accounting standards;
- understanding of the key parameters and assumptions that the management uses in its application of the ECL model, and assessing reasonableness of the key assumptions, including the selection of the historical collection data used in management's assessment.

# Independent Auditor's Report (Continued)

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

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

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

# Independent Auditor's Report (Continued)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

# Independent Auditor's Report (Continued)

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Liu Hin Pan (practising certificate number: P06120).

### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

30 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025 (Expressed in Renminbi (“RMB”))

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
<b>Revenue</b>	3	<b>460,281</b>	551,062
Cost of sales		<b>(391,745)</b>	(444,835)
<b>Gross profit</b>		<b>68,536</b>	106,227
Other net income	4	<b>8,698</b>	7,194
Selling expenses		<b>(3,370)</b>	(3,514)
Administrative expenses		<b>(14,450)</b>	(26,112)
Research and development expenses		<b>(16,122)</b>	(25,729)
Impairment loss on trade receivables and contract assets	25(a)	<b>(19,321)</b>	(19,238)
<b>Profit from operations</b>		<b>23,971</b>	38,828
Finance costs	5(a)	<b>(20,358)</b>	(15,325)
<b>Profit before taxation</b>	5	<b>3,613</b>	23,503
Income tax	6(a)	<b>4,026</b>	(13,794)
<b>Profit for the year</b>		<b>7,639</b>	9,709
<b>Other comprehensive income for the year</b>		<b>-</b>	-
<b>Total comprehensive income for the year</b>		<b>7,639</b>	9,709
<b>Earnings per share</b>			
Basic and diluted (RMB)	9	<b>0.01</b>	0.02

The notes on pages 96 to 168 form part of these financial statements

# Consolidated Statement of Financial Position

(Expressed in RMB)

		As at 31 December	
	Note	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	10	22,363	24,301
Intangible assets		124	139
Investment property	11	30,633	31,474
Interests in associates	12	7,774	7,424
Trade receivables	15(a)	5,903	4,822
Deferred tax assets	23(b)	41,862	24,332
		<b>108,659</b>	92,492
<b>Current assets</b>			
Inventories	13	534	442
Contract assets	14(a)	1,181,365	961,682
Trade and other receivables	15(a)	154,313	208,780
Restricted bank deposits	16	26,918	3,201
Cash and cash equivalents	17	36,843	134,963
		<b>1,399,973</b>	1,309,068
<b>Current liabilities</b>			
Trade and other payables	18	480,464	570,357
Contract liabilities	14(b)	5,591	6,905
Lease liabilities	19	–	129
Bank borrowings	20	565,049	373,476
Current taxation	23(a)	23,837	25,011
		<b>1,074,941</b>	975,878
<b>Net current assets</b>		<b>325,032</b>	333,190
<b>Total assets less current liabilities</b>		<b>433,691</b>	425,682

# Consolidated Statement of Financial Position (Continued)

(Expressed in RMB)

	Note	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>Non-current liabilities</b>			
Deferred income	21	2,148	1,778
		2,148	1,778
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	24(b)	58,465	58,465
Share premium	24(c)	111,985	111,985
Reserves	24(d)	261,093	253,454
<b>TOTAL EQUITY</b>		<b>431,543</b>	423,904

Approved and authorised for issue by the board of directors on 30 March 2026.

**Mr. Liu Haoqiong**

*Director*

**Mr. Zhou Zhiqiang**

*Director*

The notes on pages 96 to 168 form part of these financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025 (Expressed in RMB)

	Note	Share capital RMB'000 <i>Note 24(b)</i>	Share premium RMB'000 <i>Note 24(c)</i>	Other reserve RMB'000 <i>Note 24(d)(i)</i>	PRC statutory reserve RMB'000 <i>Note 24(d)(ii)</i>	Retained profits RMB'000	Total equity RMB'000
<b>Balance at 1 January 2024</b>		83	12,112	-	16,103	99,924	128,222
<b>Changes in equity for 2024</b>							
Profit and total comprehensive income for the year		-	-	-	-	9,709	9,709
Issue of ordinary shares by initial public offering, net of listing expenses	Note 24(b)(iii)	14,619	143,636	-	-	-	158,255
Effect of the capitalisation issue	Note 24(b)(ii)	43,763	(43,763)	-	-	-	-
Arising from reorganisation		-	-	127,718	-	-	127,718
Appropriation to PRC statutory reserves		-	-	-	2,461	(2,461)	-
<b>Balance at 31 December 2024 and 1 January 2025</b>		58,465	111,985	127,718	18,564	107,172	423,904
<b>Changes in equity for 2025</b>							
Profit and total comprehensive income for the year		-	-	-	-	7,639	7,639
Appropriation to PRC statutory reserves		-	-	-	5,368	(5,368)	-
<b>Balance at 31 December 2025</b>		58,465	111,985	127,718	23,932	109,443	431,543

The notes on pages 96 to 168 form part of these financial statements.

# Consolidated Cash Flow Statement

For the year ended 31 December 2025 (Expressed in RMB)

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
<b>Operating activities</b>			
Cash used in operations	17(b)	(231,736)	(97,564)
Income tax paid	23(a)	(14,678)	(5,580)
<b>Net cash used in operating activities</b>		<b>(246,414)</b>	<b>(103,144)</b>
<b>Investing activities</b>			
Payment for purchase of equity interest in subsidiaries arising from the Reorganization		–	(139,837)
Payment for the purchase of property, plant and equipment		(942)	(5,615)
Proceeds from disposal of property, plant and equipment		220	74
Interest received		490	441
Proceeds from disposal of other financial assets		10	37
<b>Net cash used in investing activities</b>		<b>(222)</b>	<b>(144,900)</b>
<b>Financing activities</b>			
Capital element of lease rentals paid	17(c)	(129)	(145)
Interest element of lease rentals paid	17(c)	(2)	(9)
Proceeds from bank borrowings	17(c)	564,400	373,000
Repayment of bank borrowings	17(c)	(373,000)	(347,000)
Increase in pledged bank deposit	16	(22,546)	(8)
Interest paid	17(c)	(20,183)	(15,298)
Capital injection from shareholders	24(d)(i)	–	127,718
Proceeds from ordinary shares by initial public offering		–	182,732
Payment of listing expenses		–	(19,654)
<b>Net cash generated from financing activities</b>		<b>148,540</b>	<b>301,336</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(98,096)</b>	<b>53,292</b>
<b>Cash and cash equivalents at 1 January</b>	17(a)	<b>134,963</b>	<b>81,540</b>
<b>Effect of foreign exchange</b>		<b>(24)</b>	<b>131</b>
<b>Cash and cash equivalents as at 31 December</b>	17(a)	<b>36,843</b>	<b>134,963</b>

The notes on pages 96 to 168 form part of these financial statements.

# Notes to the Financial Statement

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (b) Basis of preparation of the financial statements (Continued)

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.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

### (c) Changes in accounting policies

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### (d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the group can elect to measure any non-controlling interests (“**NCI**”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the company. NCI in the results of the group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 1(p) depending on the nature of the liability.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (d) Subsidiaries and non-controlling interests (Continued)

Changes in the group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)(ii)).

### (e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("**OCI**") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see note 1(k)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see note 1(k)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (f) Investment property

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write off the costs of investment properties, less its residual value of 5%, if any, using the straight-line method over their estimated useful lives of 40 years. Both the useful life and residual value, if any, are reviewed annually.

Rental income from investment properties is accounted for as described in note 1(u)(ii)(a).

### (g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(k)(ii)):

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings	10-40 years
– Machinery	5 years
– Motor vehicles	8 years
– Office and other equipment	3 years
– Right-of-use assets (see note 1(j))	15-36 months

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (h) Construction in progress

Construction in progress represents buildings and plant under construction and machinery and equipment under installation and testing, and is stated at cost less accumulated impairment loss, if any (see note 1(k)(ii)). The cost includes the direct costs of construction, plant and equipment.

Construction in progress is not depreciated until such time as the assets are completed and ready for operational use, after which the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in note 1(g).

### (i) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group has sufficient resources and the intention to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and impairment losses.

Other intangible assets, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 1(k)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Software	10 years
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Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) *As a lessee*

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(g) and 1(k)(ii)).

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (j) Leased assets (Continued)

#### (i) As a lessee (Continued)

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in "property, plant and equipment" and presents lease liabilities separately in the consolidated statements of financial position.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

#### (ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(u)(ii)(a).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 1(j)(i), then the Group classifies the sub-lease as an operating lease.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (k) Credit losses and impairment of assets

#### (i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- a. financial assets measured at amortised cost (including cash and cash equivalents, pledged bank deposits and trade and other receivables); and
- b. contract assets as defined in HKFRS 15 (see note 1(m)).

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (k) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments and contract assets (Continued)

##### *Measurement of ECLs (Continued)*

The group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

##### *Significant increases in credit risk*

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is 2 years past due.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (k) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments and contract assets (Continued)

##### *Significant increases in credit risk (Continued)*

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see note 1(k)).

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the restructuring of a loan or advance by the group on terms that the group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (k) Credit losses and impairment of assets (Continued)

#### (i) Credit losses from financial instruments and contract assets (Continued)

##### *Write-off policy*

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

#### (ii) Impairment of other non-current assets

At each reporting date, the group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated and reduced the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (k) Credit losses and impairment of assets (Continued)

#### (iii) *Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(k)(i)).

This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

### (l) Inventories and other contract costs

#### (i) *Inventories*

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (I) Inventories and other contract costs (Continued)

#### (i) Inventories (Continued)

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### (ii) Other contract costs

Other contract costs are the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 1(I)(i)) or, property, plant and equipment (see note 1(g)) or intangible assets (see note 1(i)).

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. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other 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. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 1(u).

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 1(u)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 1(k)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 1(n)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 1(u)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 1(n)).

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

### (n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 1(m)).

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see note 1(k)(i)).

### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

### (p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, loan and borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(w)).

### (r) Employee benefits

#### *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

### (s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable on the taxable income and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (s) Income tax (Continued)

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

### (t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

#### (i) *Revenue from contracts with customers*

Revenue is recognised when the Group satisfies a performance obligation in a contract. A performance obligation represents a distinct good or service that is transferred by the Group to the customer, and is satisfied when the customer obtains control over that distinct good or service. The Group recognises revenue, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following conditions is met: (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (ii) the customer is able to control goods in the progress during the Group's performance; (iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognised at a point of time when the customer obtains control over the relevant goods or services.

Where the contract contains a financing component which provides a significant financing benefit to the customer, the Group adjusts the promised amount of consideration for the effects of time value of money by using a discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Revenue and other income (Continued)

#### (i) Revenue from contracts with customers (Continued)

Further details of the Group's revenue and other income recognition policies are as follows:

##### (a) Provision of infrastructure construction services

The Group recognises revenue from provision of infrastructure construction services over time because the Group's construction activities create or enhance assets controlled by the customers. The Group adopts the input method to measure performance progress and revenue is recognised based on the proportion of the actual costs incurred relative to the estimated total costs. Where the performance progress cannot be determined reasonably, revenue is recognised based on the amount of cost that is expected to be compensated based on the cost already incurred, until the performance progress can be reasonably determined.

The likelihood of the Group suffering settlement amount adjustments resulting from final completion inspection and project settlement audit are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group applies the most likely amount approach to estimate such variable consideration by considering the single most likely amount in a limited range of possible consideration amounts, taking into account the Group's current progress and adjustment rates over historical periods.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Revenue and other income (Continued)

#### (i) Revenue from contracts with customers (Continued)

##### (b) Provision of digitalisation solution services

In this business model, the Group provides the following 3 types of services based on customer needs:

##### (i) Integrated solution services

The Group designs and provides integrated IT solutions for the customers by integrating different hardware and software based on the service specifications of the customers. The Group develops the integrated IT solutions at the sites designated by the customers. As the Group's performance creates or enhances assets that the customers control as the Group performs, the Group recognises revenue over time. The Group adopts the input method to measure performance progress and revenue is recognised based on the proportion of the actual costs incurred relative to the estimated total costs. Where the performance progress cannot be determined reasonably, revenue is recognised based on the amount of cost that is expected to be compensated based on the cost already incurred, until the performance progress can be reasonably determined.

##### (ii) System maintenance service

The Group offers optional system maintenance service to provide on-site support to the customers of the integrated solution services. If the customer chooses to purchase system maintenance service, the Group allocates the transaction price to the integrated solution services and system maintenance services. As the Group does not sell the system maintenance service separately, it uses expected cost plus a margin approach to estimate the stand-alone selling price of the system maintenance service. Revenue from the system maintenance service is recognised over time on a straight-line basis as the customer simultaneously receives and consumes the benefits as the Group performs and the Group's efforts are expended evenly during the on-site support period.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Revenue and other income (Continued)

#### (i) Revenue from contracts with customers (Continued)

##### (b) Provision of digitalisation solution services (Continued)

##### (iii) Software solution services

In this service type, the Group grants a licence to customers which allow them to use the software developed by the Group. As the software has standalone functionality and the Group will not undertake future activities that will significantly change the functionality of the software, the Group recognises revenue from the software licensing at a point in time when the customers are able to use the software.

##### (c) Provision of maintenance services in relation to infrastructure

The Group provides maintenance and repair services to fix and rectify technical issues for infrastructure owned by third parties within their contracted period. Revenue from maintenance and repair service is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Additionally, the Group provides emergency and sporadic repair and maintenance service for customers case by case, the Group recognises revenue upon the completion of the emergency and sporadic service because the service is completed within one day.

#### (ii) Other income

##### (a) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (u) Revenue and other income (Continued)

#### (ii) Other income (Continued)

##### (b) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

##### (c) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised by setting up the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset.

### (v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (w) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

### (x) Related parties

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

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

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 1 MATERIAL ACCOUNTING POLICIES (Continued)

### (y) Segment reporting

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

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

The Group operates in a single business segment, accordingly, no segmental analysis is presented.

## 2 ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing these financial statements. The principal accounting policies are set forth in note 1. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

### (a) Loss allowances of trade receivables and contract assets

The Group estimates the loss allowances for trade receivables and contract assets by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecasted general economic conditions at the end of reporting period. The Group keeps assessing the expected credit loss of trade receivables and contract assets during their expected lives.

### (b) Recognition of deferred tax assets

Deferred tax assets are recognised in respect of deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 2 ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

### (c) Revenue recognition

As explained in policy note 1(u)(i), revenue from infrastructure construction services and integrated solution services are recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date.

Based on the group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in note 14 do not include profit which the group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

### (d) Value added tax (the "VAT") and income tax

The Group generates revenue from the provision of infrastructure construction services, digitalisation solution services and maintenance services to customers. The Group is subject to VAT and income tax in Chinese Mainland. Evaluation of relevant tax positions of the Group involves judgment as to the interpretation and application of the relevant tax laws. The Group has exercised the best judgement of its tax obligations based on current facts and circumstances.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 3 REVENUE

The principal activities of the Group are the provision of telecommunications infrastructure construction services, digitalisation solution services and maintenance services for customers in the PRC.

### (i) Disaggregation of revenue

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines		
Revenue from telecommunications infrastructure services		
– infrastructure construction services	418,057	474,822
– infrastructure maintenance services	27,201	35,878
Revenue from digitalisation solution services		
– integrated solution services	11,927	812
– system maintenance services	517	7,870
– software solution services	736	31,680
	<b>458,438</b>	<b>551,062</b>
<b>Revenue from other sources</b>		
Gross rentals from investment properties		
– Lease payments that are fixed or depend on an index or a rate	1,167	–
– Variable lease payments that do not depend on an index or a rate	676	–
	<b>1,843</b>	<b>–</b>
Disaggregated by timing of revenue recognition		
– Over time	456,231	511,607
– Point in time	4,050	39,455
	<b>460,281</b>	<b>551,062</b>
	<b>460,281</b>	<b>551,062</b>

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 3 REVENUE (Continued)

### (i) Disaggregation of revenue (Continued)

Revenue from major group customers which accounts for 10% or more of the Group's revenue are set out below:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Customer A	175,165	332,720
Customer B	139,315	124,793
Customer C	83,599	N/A*
	<b>398,079</b>	457,513

\* Less than 10% of the Group's revenue in the respective years.

Details of concentration of credit risk are set out in note 25(a).

### (ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing digitalisation solution services contracts is RMB355,000 (2024: RMB872,000). The Group will recognise the expected revenue in future when or as the service is provided, which is expected to occur over the next 1 year (2024: next 1 to 2 years).

The Group has applied the practical expedient in paragraph 121(a) of HKFRS 15 such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 4 OTHER NET INCOME

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Interest income (note (i))	265	380
Bank deposit interest income	490	441
Government grants (note (ii))	8,598	4,482
Rentals income from investment properties less direct outgoings	–	669
Net foreign exchange (loss)/gain	(461)	1,219
Others	(194)	3
	<b>8,698</b>	<b>7,194</b>

### Notes:

- (i) The interest income is attributable to the significant financing benefit to the Group for contracts containing a financing component in accordance with the accounting policies as set out in note 1(u).
- (ii) The government grants mainly represent awards from Jiangxi government authorities attributable to (i) the successful listing of the Group, (ii) the “Investment Promotion” provided by local government and (iii) software VAT refund upon collection.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 5 PROFIT BEFORE TAXATION

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

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>(a) Finance costs</b>		
Interest on bank borrowings	20,356	15,316
Interest on lease liabilities	2	9
	<b>20,358</b>	15,325
<b>(b) Staff costs</b>		
Salaries, discretionary bonus and allowance	18,616	24,886
Contributions to defined contribution retirement plan (note 22)	1,959	1,858
	<b>20,575</b>	26,744
<b>(c) Other items</b>		
Depreciation		
– property, plant and equipment (note 10)	2,400	1,714
– investment property (note 11)	841	555
– right-of-use assets (note 10)	274	202
Amortisation	15	14
Impairment losses/(reversal)		
– trade receivables (note 15)	14,226	14,840
– contract assets (note 14(a))	5,317	2,549
– other receivables (note 15)	(223)	1,850
Short-term and low-value assets lease charges	256	356
Research and development costs (excluding staff cost)	10,331	14,399
Labor cost (note (i))	368,661	421,884
Auditors' remuneration - audit service	2,050	2,180
Cost of inventories (note (ii))	7,659	137
Rentals income from investment properties less direct outgoings of RMB841,000 (2024: 0)	(1,002)	–
Listing expense	–	11,558

Notes:

- (i) The Group engages labour suppliers to supplement the Group's labor force in performing labour intensive projects.
- (ii) Cost of inventories mainly include the cost of hardware used for the provision in digitalisation solution services.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### (a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Current tax</b>		
Provision for the year	13,451	20,757
Under-provision in respect of prior years (vi)	53	10,856
<b>Deferred tax</b>		
Origination and reversal of temporary differences (note 23(b))	(17,530)	(17,819)
	<b>(4,026)</b>	13,794

### (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
<b>Profit before taxation</b>	<b>3,613</b>	23,503
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned (notes (i), (ii) and (iii))	1,049	6,525
Tax effect of PRC preferential tax treatments (notes (iv))	(1,076)	(1,538)
Tax effect of additional deduction on research and development costs (note (v))	(2,193)	(3,719)
Tax effect of unused tax losses not recognised	553	1,261
Tax effect of non-deductible expenses	53	409
Effect of change of tax rate on deferred tax balances	(2,465)	–
Under-provision in respect of prior years (note (vi))	53	10,856
Actual tax expense	<b>(4,026)</b>	13,794

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

### (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(Continued)

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision for Hong Kong Profits Tax has been made, as the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax for 2025 and 2024.
- (iii) The subsidiaries of the Group established in the PRC is subject to PRC Corporate Income Tax rate at the statutory rate of 25%.
- (iv) The PRC Corporate Income Tax Law allows enterprises to apply for certificate of “High and New Technology Enterprise” (“**HNTE**”) which entitles the qualified companies to a preferential income tax rate of 15%, subject to fulfilment of the recognition criteria. Zhonggan Communication was qualified as an HNTE since 2015, and the qualification has remained valid for 2025.
- (v) According to the relevant tax rules in the PRC, qualified research and development costs are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of the qualified research and development costs could be deemed as deductible expenses in 2025.
- (vi) In accordance with the relevant PRC Corporate Income Tax laws, implementation regulations and guidance notes, a subsidiary qualified as “State Encouraged Software Enterprise” was entitled to tax concessions whereby the profit of this subsidiary was fully exempted from corporate income tax for the first two years from the profit-making year and a 50% reduction on corporate income tax for the next subsequent three years. The qualification for “State Encouraged Software Enterprise” of this subsidiary was revoked by the Department of Industry and Information Technology of Jiangxi Province in December 2024. Accordingly, the Group has made a provision for corporate income tax amounted to RMB10,856,000 for the 2023 taxable income of this subsidiary and the corresponding late payment surcharges of RMB1,162,000 in 2024.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 December 2025				
	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
<b>Executive directors</b>					
Mr. Liu Haoqiong (ii)	-	336	-	20	356
Mr. Liu Dingli (ii)	-	358	-	7	365
Mr. Peng Shengqian (ii)	-	120	-	-	120
Mr. Zhou Zhiqiang (ii)	-	129	-	8	137
Ms. Xie Xiaolan (ii)	-	123	-	-	123
Mr. Liu Dingyi (ii)	-	165	-	8	173
<b>Independent non-executive directors</b>					
Mr. Yu Shiyong (i)	-	72	-	-	72
Mr. Zhu Yugang (i)	-	72	-	-	72
Mr. Zhao Hezhen (i)	-	37	-	-	37
Mr. Li Yinguo (i)	-	-	-	-	-
	-	1,412	-	43	1,455

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 7 DIRECTORS' EMOLUMENTS (Continued)

	Year ended 31 December 2024				
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Executive directors</b>					
Mr. Liu Haoqiong (ii)	–	403	–	7	410
Mr. Liu Dingli (ii)	–	384	–	7	391
Mr. Peng Shengqian (ii)	–	149	–	5	154
Mr. Zhou Zhiqiang (ii)	–	251	–	7	258
Ms. Xie Xiaolan (ii)	–	192	–	–	192
Mr. Liu Dingyi (ii)	–	151	–	7	158
<b>Independent non-executive directors</b>					
Mr. Yu Shiyong	–	72	–	–	72
Mr. Zhu Yugang	–	72	–	–	72
Mr. Li Yinguo	–	–	–	–	–
	–	1,674	–	33	1,707

*Notes:*

- (i) Mr. Yu Shiyong and Mr. Zhu Yugang were retired and re-elected as independent non-executive directors of the Company on 27 June 2025. Mr. Li Yinguo retired as an independent non-executive director of the Company on 27 June 2025. Mr. Zhao Hezhen were appointed as independent non-executive directors of the Company on 27 June 2025.
- (ii) All executive directors acted as key management personnel of the Group and the emoluments disclosed above include those for services rendered by them as key management personnel of the Group.

There were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 8 below as an inducement to join or upon joining the Group or as a compensation for loss of office.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments two (2024: two) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the remaining three (2024: three) individuals are as follows:

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	1,119	1,122
Retirement scheme contributions	39	36
	<b>1,158</b>	1,158

The emoluments of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following band:

	Year ended 31 December	
	2025 Number of individuals	2024 Number of individuals
Nil – HK\$1,000,000	3	3

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB7,639,000 (2024: RMB9,709,000) and the weighted average of 640,000,000 ordinary shares (2024: 559,342,000 shares after adjusting for the capitalisation issue in 2024 (see Note 24(b)(ii))) in issue during the year, calculated as follows:

Weighted average number of ordinary shares.

	Year ended 31 December	
	2025 RMB'000	2024 RMB'000
Issued ordinary shares at 1 January	640,000	1,011
Effect of capitalisation issue (note 24(b)(ii))	–	478,989
Effect of issue of ordinary shares by initial public offering (note 24(b)(iii))	–	79,342
<b>Weighted average number of ordinary shares at 31 December</b>	<b>640,000</b>	<b>559,342</b>

There were no dilutive potential ordinary shares for the years ended 31 December 2025 and 2024, therefore diluted earnings per share are the same as basic earnings per share.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 10 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Motor vehicles	Office and other equipment	Sub-total	Right- of-use assets	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cost:</b>								
As at 1 January 2024	26,699	954	1,797	3,263	32,713	917	12,869	46,499
Additions	195	-	-	4,883	5,078	-	384	5,462
Transfer from construction in progress	-	-	-	65	65	-	(13,253)	(13,188)
Disposals	-	-	(1,198)	-	(1,198)	(236)	-	(1,434)
As at 31 December 2024 and 1 January 2025	26,894	954	599	8,211	36,658	681	-	37,339
Additions	-	41	274	627	942	-	-	942
Disposals	-	-	(491)	(191)	(682)	(364)	-	(1,046)
As at 31 December 2025	26,894	995	382	8,647	36,918	317	-	37,235
<b>Accumulated depreciation:</b>								
As at 1 January 2024	(6,872)	(802)	(1,643)	(2,743)	(12,060)	(436)	-	(12,496)
Charge for the year	(1,326)	(32)	-	(356)	(1,714)	(202)	-	(1,916)
Disposals	-	-	1,138	-	1,138	236	-	1,374
As at 31 December 2024 and 1 January 2025	(8,198)	(834)	(505)	(3,099)	(12,636)	(402)	-	(13,038)
Charge for the year	(1,330)	(29)	(21)	(1,020)	(2,400)	(274)	-	(2,674)
Disposals	-	-	466	10	476	364	-	840
As at 31 December 2025	(9,528)	(863)	(60)	(4,109)	(14,560)	(312)	-	(14,872)
<b>Net book value:</b>								
As at 31 December 2025	17,366	132	322	4,538	22,358	5	-	22,363
As at 31 December 2024	18,696	120	94	5,112	24,022	279	-	24,301

### Notes:

- (i) All property, plant and equipment owned by the Group are located in the PRC.
- (ii) The Group has obtained the right to use certain staff dormitory through tenancy agreements. The leases typically run for an initial period of 15 to 36 months. None of the leases includes variable lease payments.
- (iii) As at 31 December 2025, buildings with a carrying amount of RMB17,366,000 (2024: RMB18,696,000) were pledged to secure the Group's bank borrowings (note 20).

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 11 INVESTMENT PROPERTY

	<b>Buildings</b> <b>RMB'000</b>
<b>Cost:</b>	
At 31 December 2024, 1 January 2025 and 31 December 2025	35,313
<b>Accumulated amortisation:</b>	
At 1 January 2024	(3,284)
Charge for the year	(555)
At 31 December 2024 and 1 January 2025	(3,839)
Charge for the year	(841)
At 31 December 2025	(4,680)
<b>Net book value:</b>	
At 31 December 2025	30,633
At 31 December 2024	31,474

The Group leases out investment property under operating leases. The leases run for an initial period of 20 years and 9 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every 2-3 years to reflect market rentals. Certain leases include variable lease payment terms that are based on the revenue of tenants.

As at 31 December 2025, the fair value of investment properties as determined by the independent valuers amounted to RMB34,207,000 (2024: RMB38,712,000).

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 11 INVESTMENT PROPERTY (Continued)

As at 31 December 2025, investment property with a carrying amount of RMB30,633,000 (2024: RMB18,313,000) was pledged to secure the Group's bank borrowings (note 20).

Undiscounted lease payments under non-cancellable operating leases in place at each reporting date will be receivable by the Group in future periods as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	1,982	1,566
After 1 year but within 2 years	1,985	1,982
After 2 years but within 3 years	2,066	1,985
After 3 years but within 4 years	2,081	2,066
After 4 years but within 5 years	2,085	2,081
After 5 years	15,661	18,787
	<b>25,860</b>	28,467

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 12 INTERESTS IN ASSOCIATES

The following list contains the particulars of associates, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital/ registered capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Jian Qingyoupu Information Technology Limited (吉安青優普信息科技有限公司)	Incorporate	PRC	RMB Nil/ RMB5,000,000	49%	–	49%	Yet to commence business activities
Jiangxi Wanpuxing Information Technology Limited (江西灣普興科技有限公司)	Incorporate	PRC	RMB Nil/ RMB10,000,000	49%	–	49%	Digitalisation solution services
Hangzhou Duobaan Technology Limited (杭州多巴庵科技有限公司)	Incorporate	PRC	RMB Nil/ RMB500,000	30%	–	30%	Yet to commence business activities
Shanghai Duobaman Film and Television Technology Limited (上海多巴漫影視科技有限公司)	Incorporate	PRC	RMB Nil/ RMB1,000,000	20%	–	20%	Multimedia Entertainment Service

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Aggregate information of associates that are not individually material:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	7,774	7,424
Aggregate amounts of the Group's share of those associates'		
Profit from continuing operations	–	–
Post-tax profit or loss from discontinued operations	–	–
Other comprehensive income	–	–
Total comprehensive income	–	–

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 13 INVENTORIES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Inventories</b>		
– Hardware	520	442
– Software	14	–
	<b>534</b>	442

*Notes:*

All of the inventories are expected to be recovered within one year.

During the years ended 31 December 2025 and 2024, no write down or reversal of write-down of inventories made, totalling RMB7,659,000 and RMB137,000 of inventories was recognised as an expense and included in profit or loss.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 14 CONTRACT ASSETS AND CONTRACT LIABILITIES

### (a) Contract assets

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Contract assets</b>		
Arising from performance under provision of telecommunications infrastructure services		
– third parties	1,188,342	965,774
Less: loss allowance	(9,839)	(4,503)
	<b>1,178,503</b>	961,271
Arising from performance under provision of digitalisation solution services		
– third parties	2,883	451
Less: loss allowance	(21)	(40)
	<b>2,862</b>	411
	<b>1,181,365</b>	961,682
<b>Receivables from contracts with customers within the scope of HKFRS 15, which are included in “Trade and other receivables” (note 15)</b>	<b>146,014</b>	199,507

The Group's contract assets consist of project money and retention money.

The payment billing of project money is normally conditional on the Group's work satisfactorily passing the customers' final inspection. On the other hand, revenue arising from such contracts are recognised based on their performance progress or upon completion in accordance with the accounting policies in note 1(u).

Given that the respective considerations can only be collected upon the Group's work satisfactorily passing the customers' final inspection, the difference between the revenue recognised based on the Group's accounting policies and the collection of consideration is recognised as a contract asset until the Group's work satisfactorily passes the customers' final inspection. As at 31 December 2025, project money held as contract assets amounted to RMB1,177,133,000 (2024: RMB959,399,000).

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 14 CONTRACT ASSETS AND CONTRACT LIABILITIES (Continued)

### (a) Contract assets (Continued)

The amount of revenue recognised during the year from performance obligations satisfied (or partially satisfied) in previous periods is RMB6,859,000 (2024: RMB1,686,000), mainly due to the changes in estimate of the stage of completion of certain construction contracts.

The amount of contract assets expected to be recovered after more than one year were primarily relates to retention money and project money from Infrastructure Construction Services. The project money and retention money were expected to be covered by 6 to 36 months and 12 to 60 months, which due to prolonged inspection, acceptance, and settlement audit processes by the customers.

The Group also typically agrees to retain 3% to 10% of the contract value as retention money for one to five years upon the completion of work. These amounts are included in contract assets until the end of the retention period as the Group's entitlement to these final payments are conditional on the proper functioning of the Group's projects throughout the retention period. As at 31 December 2025, retention money held as contract assets amounted to RMB4,232,000 (2024: RMB2,283,000).

Contract assets are transferred to trade receivables when the rights become unconditional.

Further details on the Group's credit policy and credit risk arising from contract assets are set out in note 25(a).

### (b) Contract liabilities

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Contract liabilities</b>		
Billings in advance of performance	5,591	6,905

#### **Movements in contract liabilities**

	2025 RMB'000	2024 RMB'000
Balance at 1 January	6,905	4,795
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(6,905)	(4,795)
Increase in contract liabilities as a result of billing in advance of performance	5,591	6,905
Balance at 31 December	5,591	6,905

As at 31 December 2025 and 2024, billings in advance of performance are expected to be recognised as income within one year.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 15 TRADE AND OTHER RECEIVABLES

### (a) Trade and other receivables of the Group

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Non-current</b>		
Trade receivables	10,932	11,106
Less: loss allowance	(5,029)	(6,284)
	<b>5,903</b>	4,822
<b>Current</b>		
Trade receivables	183,711	228,859
Less: loss allowance	(43,600)	(34,174)
Trade receivables, net of loss allowance	<b>140,111</b>	194,685
Other receivables	7,321	8,910
Less: loss allowance	(4,273)	(4,496)
	<b>3,048</b>	4,414
Trade receivables and other receivables, net of loss allowance	<b>143,159</b>	199,099
Amounts due from related parties (note 26(d))	128	112
Prepayment for labour and services	4,484	2,743
VAT recoverable	6,542	6,826
	<b>154,313</b>	208,780

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 15 TRADE AND OTHER RECEIVABLES (Continued)

### (a) Trade and other receivables of the Group (Continued)

Notes:

- (i) Apart from the non-current trade receivables as stated above, all of the other trade and other receivables are expected to be recovered or recognised as expense within one year.
- (ii) As at 31 December 2025, trade receivables and contract assets amounted to RMB1,095,148,000 (2024: RMB951,457,000) were pledged as security for bank borrowings (see note 20).
- (iii) Other receivables represented tender deposits and performance deposits which will be released to the Group upon the award and the completion of the relevant projects as the case may be.
- (iv) VAT recoverable represented input tax to be certified and deducted.

#### Ageing analysis

An ageing analysis of trade receivable, based on the transaction date or invoice date and net of loss allowance, is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 6 months	52,289	93,406
More than 6 months but within 12 months	13,504	31,398
More than 12 months but within 18 months	18,801	57,883
More than 18 months but within 24 months	19,554	6,079
More than 24 months	90,495	51,199
Trade receivables	194,643	239,965
Less: loss allowance	(48,629)	(40,458)
	146,014	199,507

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 15 TRADE AND OTHER RECEIVABLES (Continued)

### (a) Trade and other receivables of the Group (Continued)

#### *Ageing analysis (Continued)*

Trade receivables related to project money from telecommunications infrastructure services are normally due within 90 days from the date of billing. As at 31 December 2025, project money receivable related to telecommunications infrastructure services amounted to RMB56,203,000 (2024: RMB70,069,000).

Trade receivables related to project money from digitalisation solution services are normally due within 90 days from the completion of work, and the Group has undertaken a few Integrated Solution Services projects for which a payment term of three to five years have been granted, which were provided at the special request of the customers. As at 31 December 2025, project money receivable related to digitalisation solution services amounted to RMB86,155,000 (2024: RMB125,359,000).

Retention money is normally be settled within 90 days of the end of the retention period. As at 31 December 2025, retention money receivable amounted to RMB3,656,000 (2024: RMB4,079,000).

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 25(a).

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 16 RESTRICTED BANK DEPOSITS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Pledged for bank borrowings (note 20)	1,010	1,102
Pledged for bank facilities (note 20)	24,727	2,089
Pledged for letter of guarantee	10	10
Frozen by litigation	1,171	–
	<b>26,918</b>	3,201

The pledged bank deposits will be released upon the settlement of bank borrowings and the maturity of bank facilities and letter of guarantee.

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents in the consolidated cash flow statement comprise:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Cash at bank and on hand	36,843	134,963
	<b>36,843</b>	134,963

At 31 December 2025, cash that is placed with banks in the Mainland China amounted to RMB18,453,000 (2024: RMB113,903,000). Remittance of funds out of Mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

### (b) Reconciliation of profit before taxation to cash used in operations:

	Note	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Profit before taxation		<b>3,613</b>	23,503
Adjustments for:			
Depreciation	5(c)	<b>3,515</b>	2,471
Amortisation	5(c)	<b>15</b>	14
Interest expenses on bank borrowings and leases	5(a)	<b>20,358</b>	15,325
Interest income from bank deposit	4	<b>(490)</b>	(441)
Gain on disposal of property, plant and equipment, other financial assets		<b>(24)</b>	(17)
Impairment losses recognised	5(c)	<b>19,320</b>	19,239
Foreign exchange loss/(gain)		<b>24</b>	(131)
Changes in working capital:			
(Increase)/decrease in inventories		<b>(92)</b>	10,798
Decrease in trade and other receivables		<b>39,209</b>	16,945
Decrease in non-current trade receivables		<b>174</b>	17,398
Increase in contract assets		<b>(225,000)</b>	(237,402)
(Decrease)/increase in trade and other payables		<b>(90,243)</b>	32,679
(Decrease)/increase in contract liabilities		<b>(1,314)</b>	2,110
Decrease/(increase) in restricted deposits		<b>(1,171)</b>	–
Increase/(decrease) in deferred income		<b>370</b>	(55)
Cash used in operations		<b>(231,736)</b>	(97,564)

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

### (c) Reconciliation of liabilities arising from financing activities

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

	<b>Bank borrowings RMB'000 note 20</b>	<b>Lease Liabilities RMB'000 note 19</b>	<b>Total RMB'000</b>
<b>As at 1 January 2024</b>	347,458	274	347,732
<b>Changes from financing cash flows:</b>			
Proceeds from new bank borrowings	373,000	–	373,000
Repayment of bank borrowings	(347,000)	–	(347,000)
Interest paid	(15,298)	–	(15,298)
Capital element of lease rentals paid	–	(145)	(145)
Interest element of lease rentals paid	–	(9)	(9)
<b>Total changes from financing cash flows</b>	<b>10,702</b>	<b>(154)</b>	<b>10,548</b>
<b>Other changes</b>			
Interest expense (note 5(a))	15,316	9	15,325
<b>As at 31 December 2024</b>	<b>373,476</b>	<b>129</b>	<b>373,605</b>

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 17 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(Continued)

### (c) Reconciliation of liabilities arising from financing activities (Continued)

	Bank borrowings RMB'000 note 20	Lease Liabilities RMB'000 note 19	Total RMB'000
<b>As at 1 January 2025</b>	373,476	129	373,605
<b>Changes from financing cash flows:</b>			
Proceeds from new bank borrowings	564,400	–	564,400
Repayment of bank borrowings	(373,000)	–	(373,000)
Interest paid	(20,183)	–	(20,183)
Capital element of lease rentals paid	–	(129)	(129)
Interest element of lease rentals paid	–	(2)	(2)
Total changes from financing cash flows	171,217	(131)	171,086
<b>Other changes</b>			
Interest expense (note 5(a))	20,356	2	20,358
<b>As at 31 December 2025</b>	565,049	–	565,049

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 18 TRADE AND OTHER PAYABLES

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Trade payables		
– third parties	<b>348,816</b>	454,338
Accrued payroll	<b>3,943</b>	4,675
Amounts due to shareholders (note 26(d))	<b>2,800</b>	2,800
Amounts due to associates (note 26(d))	<b>7,700</b>	7,350
Other tax payables	<b>111,047</b>	94,389
Other payables and accruals	<b>6,158</b>	6,805
	<b>480,464</b>	570,357

Notes:

- (i) The above trade and other payables are expected to be settled within one year or are repayable on demand.
- (ii) Other tax payables primarily comprised VAT payables.

An ageing analysis of trade payables (which are included in trade and other payables), based on the transaction date, is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year	<b>175,558</b>	311,847
Over 1 year but within 2 years	<b>98,001</b>	85,597
Over 2 years but within 3 years	<b>25,480</b>	24,373
Over 3 years	<b>49,777</b>	32,521
	<b>348,816</b>	454,338

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 19 LEASE LIABILITIES

As at 31 December 2025 and 2024, the lease liabilities were repayable as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year or on demand	-	129
	-	129

## 20 BANK BORROWINGS

(a) The Group's bank borrowings are repayable as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Within 1 year or on demand	565,049	373,476

(b) Assets pledged as security and covenants for bank borrowings

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Unsecured bank borrowings	92,105	90,123
Secured bank borrowings	472,944	283,353
	565,049	373,476

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 20 BANK BORROWINGS (Continued)

### (b) Assets pledged as security and covenants for bank borrowings (Continued)

The bank borrowings are secured by certain assets of the Group and the carrying amounts of these assets are as below:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Property, plant and equipment (note 10)	17,366	18,696
Investment property (note 11)	30,633	18,313
Trade receivables and contract assets (note 14 & 15)	1,095,148	951,457
Bank deposits pledged for bank borrowings (note 16)	1,010	1,102
Bank deposits pledged for bank facilities (note 16)	24,727	2,089
	<b>1,168,884</b>	991,657

The amount of bank borrowings secured by assets of the Group and the shareholders, or guaranteed by the shareholders and their close family member, the key management personnel and their close family member of the Group (together, the “**Affiliated Individuals**”) are as below:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Secured by trade receivables and contract assets of the Group	–	170,206
Secured by bank deposits, trade receivables, contract assets, property, plant and equipment and investment property of the Group, secured by the properties of shareholders and guaranteed by Affiliated Individuals	115,133	113,147
Secured by trade receivables and contract assets of the Group and guaranteed by Affiliated Individuals	190,218	–
Guaranteed by Affiliated Individuals	27,031	–
Secured by property, plant and equipment and investment property of the Group	10,011	–
Secured by trade receivables and contract assets of the Group and secured by investment property of the Group	157,582	–
	<b>499,975</b>	283,353

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 20 BANK BORROWINGS (Continued)

### (b) Assets pledged as security and covenants for bank borrowings (Continued)

As at 31 December 2025, the Group's bank borrowings from China Construction Bank Corporation, Nanchang Xihu Branch amounted to RMB115,133,000 (2024: RMB113,147,000) are subjected to loan covenants based on Zhonggan Communication's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If Zhonggan Communication were to breach the covenants, the bank borrowings would become payable on demand.

Zhonggan Communication's loan covenants based on its balance sheet ratios had been breached as at 31 December 2025 and 2024.

Further details of the Group's management of liquidity risk are set out in note 25(b).

## 21 DEFERRED INCOME

	<b>Government grant RMB'000</b>
As at 1 January 2024	1,833
Amortisation credited to consolidated statement of profit or loss and other comprehensive income	(55)
As at 31 December 2024 and 1 January 2025	1,778
New grant related to an asset	500
Amortisation credited to consolidated statement of profit or loss and other comprehensive income	(130)
As at 31 December 2025	2,148

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 22 EMPLOYEE RETIREMENT BENEFITS

### Defined contribution retirement plans

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal government authorities whereby the Group is required to make contributions to the Schemes based on a percentage of the participating employee's salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees.

The Group has no other material obligation for the payment of pension benefits associated with the Schemes beyond the contributions described above.

## 23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### (a) Movements of current taxation in the consolidated statement of financial position:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
At the beginning of the year	25,011	(1,022)
Provision for the year (note 6(a))	13,504	31,613
Income tax paid	(14,678)	(5,580)
At the end of the year	23,837	25,011
Reconciliation to the consolidated statement of financial position:		
Current tax payable	23,837	25,011
	23,837	25,011

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

### (b) Deferred tax assets and liabilities recognised:

#### (i) Movement of each component of deferred tax assets and liabilities

Deferred tax arising from:	Accrued expenses RMB'000	Significant financing component RMB'000	Credit loss allowances RMB'000	Depreciation charge of property, plant and equipment RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Deferred income RMB'000	Cumulative tax losses RMB'000	Total RMB'000
As at 1 January 2024	1,604	107	4,462	96	(72)	41	275	-	6,513
Credited/(charged) to profit or loss	13,883	(58)	3,276	(25)	31	(22)	(8)	742	17,819
As at 31 December 2024 and 1 January 2025	15,487	49	7,738	71	(41)	19	267	742	24,332
Credited/(charged) to profit or loss	11,883	(32)	5,736	(9)	40	(19)	55	(124)	17,530
As at 31 December 2025	27,370	17	13,474	62	(1)	-	322	618	41,862

#### (ii) Reconciliation to the consolidated statement of financial position

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Net deferred tax asset in the consolidated statement of financial position	41,862	24,332

### (c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB3,350,000 (2024: RMB7,641,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

### (d) Deferred tax liabilities not recognised

The Group did not recognise deferred tax liabilities in respect of the PRC dividend withholding tax relating to certain undistributed profits of the PRC subsidiaries as at 31 December 2025 and 2024, since the Group controls the dividend policy of these subsidiaries. Based on the assessment of the management, as at 31 December 2025, the undistributed profits amounted to RMB109,442,000 (2024: RMB107,172,000) would not be distributed in the foreseeable future.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 24 CAPITAL, RESERVES AND DIVIDENDS

### (a) Movements in components of equity

The reconciliation between the opening and closing balances of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity are set out below:

	Share capital RMB'000	Share premium RMB'000	Other reserve RMB'000	Total RMB'000
<b>Balance at 1 January 2024</b>	83	12,112	8	12,203
<b>Changes in equity for 2024:</b>				
Loss and total comprehensive income for the year	–	–	(5,586)	(5,586)
Issue of ordinary shares by initial public offering, net of listing expenses	14,619	143,636	–	158,255
Effect of the capitalisation issue	43,763	(43,763)	–	–
<b>Balance at 31 December 2024 and 1 January 2025</b>	58,465	111,985	(5,578)	164,872
<b>Changes in equity for 2025:</b>				
Loss and total comprehensive income for the year	–	–	(3,350)	(3,350)
<b>Balance at 31 December 2025</b>	58,465	111,985	(8,928)	161,552

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 24 CAPITAL, RESERVES AND DIVIDENDS (Continued)

### (b) Share capital

	2025			2024		
	No. of shares ('000)	HK'000	RMB'000	No. of shares ('000)	HK'000	RMB'000
<b>Ordinary shares, issued and fully paid:</b>						
At 1 January	640,000	64,000	58,465	1,011	101	83
Capitalisation issue	-	-	-	478,989	47,899	43,763
Issue of ordinary shares by initial public offering	-	-	-	160,000	16,000	14,619
At 31 December	640,000	64,000	58,465	640,000	64,000	58,465
<b>Authorised:</b>						
HK0.1 each share	1,000,000	100,000		1,000,000	100,000	

#### (i) Authorised share capital

Pursuant to the written resolution passed by the shareholders of the Company on 17 June 2024, the authorised share capital of the Company was increased from HK\$101,126 divided into 1,011,260 Shares to HK\$10,000,000 divided into 1,000,000,000 Shares by the creation of an additional 998,988,740 Shares with effect from the Listing Date.

#### (ii) Capitalisation issue

Pursuant to the written resolution passed by the shareholders of the Company on 17 June 2024, the capitalisation issue of an amount of HK\$47,898,874.9 (equivalent to approximately RMB43,763,000) standing to the credit of the share premium account of the Company and the appropriation of such amount to pay up in full at par 478,988,749 shares for allotment and issue to the existing shareholders with effect from the Listing Date.

#### (iii) Issue of ordinary shares by initial public offering

On 3 July 2024, the shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited, where 160,000,000 shares of HK\$0.01 each were issued and subscribed at a price of HK\$1.25 each. The Company received the net proceeds of HK\$173,050,000 (equivalent to approximately RMB158,255,000), after deducting all capitalized listing expenses. Out of the net proceeds from the listing, RMB14,619,000 and RMB143,636,000 were recorded in share capital and share premium accounts, respectively.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 24 CAPITAL, RESERVES AND DIVIDENDS (Continued)

### (c) Share Premium

As at 31 December 2025, share premium represented the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the initial public offering, net of related listing expenses.

### (d) Nature and purpose of reserves

#### (i) Other reserve

Other reserve represented the contribution surplus by a shareholder of a subsidiary pursuant to the Reorganisation of the Group.

#### (ii) Statutory reserve

In accordance with the relevant PRC laws and regulations, the Group's subsidiaries established in the PRC are required to transfer 10% of its net profit each year to the statutory reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distributions to equity holders. This reserve can be utilised in setting off accumulated losses or increase capital of the subsidiary and is non-distributable other than in liquidation.

### (e) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries in 2025.

### (f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

For the year ended 31 December 2025, except as disclosed in note 20, neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks, for which the Group considers to have a low credit risk. The Group's credit risk is primarily attributable to trade receivables and contract assets and other receivables.

Trade receivables and contract assets comprise project money and retention money. Project money is transferred from contract assets to trade receivables when the Group's work satisfactorily passes inspection. Trade receivables related to project money from telecommunications infrastructure services are normally due within 90 days from the date of billing. Trade receivables related to project money from digitalisation solution services are normally due within three to five years. Retention money is transferred from contract assets to trade receivables at the end of the retention period (which is normally due within one to five years upon the completion of work). Trade receivables related to retention money are normally due within 90 days from the end of retention period. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2025, 66.95% (2024: 72.61%) of total trade receivables and contract assets were due from the Group's largest customer, and 97.38% (2024: 96.59%) of total trade receivables and contract assets, were due from the five largest customers.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (a) Credit risk (Continued)

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. When reasonable and supportable information to measure lifetime ECLs on individual trade receivables and contract assets is available, the Group measures loss allowances for those trade receivables and contract assets on an individual basis. As the Group's historical credit loss experience indicate different loss patterns between project money and retention money, the loss allowance is further distinguished between project money and retention money.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets related to project money:

As at 31 December 2025			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current	0.72%	1,226,888	8,833
Less than 6 months past due	4.60%	10,515	484
More than 6 months but less than 12 months past due	14.20%	12,919	1,835
More than 12 months but less than 18 months past due	26.20%	18,376	4,814
More than 18 months but less than 24 months past due	37.20%	19,184	7,137
More than 24 months past due	100.00%	11,324	11,324
		1,299,206	34,427
Provision on individual basis (note)		73,795	19,083
Total		1,373,001	53,510

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (a) Credit risk (Continued)

	As at 31 December 2024		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current	0.41%	1,026,900	4,232
Less than 6 months past due	3.44%	29,429	1,011
More than 6 months but less than 12 months past due	12.10%	34,127	4,129
More than 12 months but less than 18 months past due	30.38%	4,948	1,503
More than 18 months but less than 24 months past due	42.94%	10,816	4,644
More than 24 months past due	100.00%	7,036	7,036
		1,113,256	22,555
Provision on individual basis (note)		81,920	17,794
<b>Total</b>		<b>1,195,176</b>	<b>40,349</b>

*Note:* Some of the trade receivables related to project money from digitalisation solution services were modified with extended payment terms. In general, the payment terms were extended for three months to two years from the original due dates. In view of the renegotiated payment schedules, the Group had individually assessed the loss allowances from these contracts.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (a) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets related to retention money:

As at 31 December 2025			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current	23.82%	5,555	1,323
Past due	50.00%	7,312	3,656
<b>Total</b>		<b>12,867</b>	<b>4,979</b>

As at 31 December 2024			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current	20.04%	2,855	572
Past due	50.00%	8,159	4,080
<b>Total</b>		<b>11,014</b>	<b>4,652</b>

Expected loss rates are based on actual loss experience over the recent past few years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Balance at the beginning of the year	45,001	27,612
Impairment losses recognised	19,543	17,389
Write-off	(6,055)	–
<b>Balance at the end of the year</b>	<b>58,489</b>	<b>45,001</b>

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (a) Credit risk (Continued)

#### *Other receivables*

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables related to tender bonds and performance bonds:

As at 31 December 2025			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current	8.73%	664	58
Past due	74.99%	5,621	4,215
<b>Total</b>		<b>6,285</b>	<b>4,273</b>

As at 31 December 2024			
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current	8.94%	1,991	178
Past due	74.85%	5,769	4,318
<b>Total</b>		<b>7,760</b>	<b>4,496</b>

In determining ECLs for other receivables related to tender deposits and performance deposits, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate. The management of the Group has assessed that the risk of default of other receivables was not material.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and communicate with major financial institutions to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities as at 31 December 2025 of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current as at 31 December 2025) and the earliest date the Group can be required to pay.

	As at 31 December 2025			
	Contractual undiscounted cash outflow			Carrying amount RMB'000
	Within	More than	Total	
	1 year or	1 year but less		
on demand	than 2 years	RMB'000		
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings	572,992	–	572,992	565,049
Trade payables	348,816	–	348,816	348,816
Amounts due to shareholders	2,800	–	2,800	2,800
Amounts due to associates	7,700	–	7,700	7,700
Other payables and accruals (including other tax payables)	117,205	–	117,205	117,205
	<b>1,049,513</b>	<b>–</b>	<b>1,049,513</b>	<b>1,041,570</b>

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (b) Liquidity risk (Continued)

	As at 31 December 2024			Carrying amount RMB'000
	Contractual undiscounted cash outflow			
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	Total RMB'000	
Bank borrowings	379,817	–	379,817	373,476
Trade payables	454,338	–	454,338	454,338
Amounts due to shareholders	2,800	–	2,800	2,800
Amounts due to associates	7,350	–	7,350	7,350
Other payables and accruals (including other tax payables)	101,194	–	101,194	101,194
Lease liabilities	129	–	129	129
	945,628	–	945,628	939,287

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from loans and borrowing. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

#### (i) Interest rate profile

The following table details the interest rate profile of the Group's loans and borrowings at the end of each reporting period:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Fixed rate borrowings:</b>		
Bank borrowings	(359,814)	(203,270)
Lease liabilities	–	(129)
	(359,814)	(203,399)
<b>Variable rate borrowings:</b>		
Bank borrowings	(205,235)	(170,206)

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

### (c) Interest rate risk (Continued)

#### (ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit for the year and retained profits by approximately RMB1,744,000 (2024: RMB1,447,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit for the year and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to those financial instruments held by the Group which expose the Group to cash flow interest rate risk at the end of the reporting period. The analysis is performed on the same basis as 2024.

### (d) Currency risk

The Group's businesses are principally conducted in RMB and most of the Group's monetary assets and liabilities are denominated in RMB. Accordingly, the management consider the Group's exposure to currency risk is not significant. The Group does not employ any financial instruments for hedging purposes.

### (e) Fair value measurement

All financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2025 and 2024.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 26 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Name and relationship with related parties

During the year ended 31 December 2024 and 2025, the directors are of the view that the following are major related parties of the companies now comprising the Group:

Name of party	Relationship
Mr. Liu Haoqiong	Controlling shareholder of the Group
Ms. Tao Xiulan	Controlling shareholder of the Group
GT & Yangtze Limited	Company owned as to 70.0% by Mr. Liu Haoqiong and as to 30.0% by Ms. Tao Xiulan, respectively
Mr. Liu Dingli	Non-controlling shareholder of the Group
Huat Huat Limited	Company wholly-owned by Mr. Liu Dingli
Mr. Liu Dingyi	Non-controlling shareholder of the Group
Octuple Hills Limited	Company wholly-owned by Mr. Liu Dingyi
Ms. Yeung Hoi Ka	Non-controlling shareholder of the Group
Jian Qingyoupu Information Technology Limited (“ <b>Jian Qingyoupu</b> ”)	Associate of the Group
Jiangxi Wanpuxing Information Technology Limited (“ <b>Jiangxi Wanpuxing</b> ”)	Associate of the Group
Shanghai Duobaman Film and Television Technology Limited (“ <b>Shanghai Duoba Man</b> ”)	Associate of the Group
Hangzhou Duoba An Technology Co., Ltd. (“ <b>Hangzhou Duoba An</b> ”)	Associate of the Group
Ms. Tao Hailan	Close family member of the controlling shareholder, Ms. Tao Xiulan
Ms. Chen Jingyuan	Close family member of a key management personnel, Mr. Xiao Wei
Mr. Wang Hao	Key management personnel
Ms. Chai Wenxin	Key management personnel
Mr. Xiao Wei	Key management personnel

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Short-term employee benefits	3,415	3,398
Contributions to defined contribution retirement plan	114	70
	<b>3,529</b>	3,468

Total remuneration is included in "staff costs" (see note 5(b)).

### (c) Material transactions with related parties

The Group enter into the following material related party transactions as follows:

	2025 RMB'000	2024 RMB'000
<b>Non-recurring transactions:</b>		
Non-trade related:		
Repayment from/advance from related parties		
– Mr. Liu Haoqiong	1,910	7,770
– Ms. Yeung Hoi Ka	–	2,800
	<b>1,910</b>	10,570

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (c) Material transactions with related parties (Continued)

	2025 RMB'000	2024 RMB'000
Repayment to/advance to related parties – Mr. Liu Haoqiong	1,910	12,770
	<b>1,910</b>	<b>12,770</b>

### (d) Balances with related parties

#### (i) Amounts due from related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Non-trade related</b>		
Other receivables		
– Ms. Tao Hailan	28	28
– GT & Yangtze Limited	69	69
– Huat Huat Limited	7	7
– Octuple Hills Limited	8	8
– Shanghai Duoba Man	16	–
	<b>128</b>	<b>112</b>

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 26 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

### (d) Balances with related parties (Continued)

#### (ii) Amounts due to related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Non-trade related</b>		
Other payables		
– Jiangxi Wanpuxing	4,900	4,900
– Jian Qingyoupu	2,450	2,450
– Ms. Yeung Hoi Ka	2,800	2,800
– Hangzhou Duoba An	150	–
– Shanghai Duoba Man	200	–
	<b>10,500</b>	10,150

The balance with these related parties are unsecured, interest free and have no fixed repayment terms.

### (e) Bank borrowings guaranteed by related parties

	As at 31 December	
	2025 RMB'000	2024 RMB'000
<b>Non-trade in nature</b>		
Bank borrowings guaranteed by		
– Ms. Tao Hailan, Mr. Xiao Wei and Ms. Chen Jingyuan	115,133	113,147
– Mr. Liu Haoqiong and Ms. Tao Xiulan	217,249	–
	<b>332,382</b>	113,147

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Investment in a subsidiary		12,119	12,119
<b>Current assets</b>			
Other receivables	(i)	156,245	159,878
Cash and cash equivalents		515	19
<b>Current liabilities</b>			
Other payables	(ii)	7,357	7,144
<b>Net current assets</b>		<b>149,403</b>	152,753
<b>Total assets less current liabilities</b>		<b>161,522</b>	164,872
<b>NET ASSETS</b>		<b>161,522</b>	164,872
<b>CAPITAL AND RESERVES</b>			
Share capital	24(b)	58,465	58,465
Share premium	24(c)	111,985	111,985
Reserves		(8,928)	(5,578)
<b>TOTAL EQUITY</b>		<b>161,522</b>	164,872

(i) As at 31 December 2025, other receivables are mainly related to amounts due from subsidiaries.

(ii) As at 31 December 2025, other payables are amounts due to subsidiaries related to listing expense paid by subsidiaries on behalf of the Company.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 28 SUBSIDIARIES

Company name	Place and date of incorporation/ establishment	Particulars of issued and paid-up capital/ registered capital	Group's effective interest	Proportion of ownership interest		Principal activities
				Held by the Company	Held by the subsidiary	
<b>Directly held</b>						
Zhonggan Communication (BVI) Holding Co., Ltd.	British Virgin Islands (BVI)/ 24 May 2022	US\$1/ US\$50,000	100%	100%	-	Investment holding
<b>Indirectly held</b>						
Zhonggan Communication Hong Kong Limited (中贛通信香港有限公司)	Hong Kong/ 9 June 2022	HK\$1/HK\$1	100%	-	100%	Investment holding
Jiangxi Zhongge Communication Company Limited ("Jiangxi Zhongge") (江西中歌通信有限公司) (notes (i) and (ii))	PRC/ 18 July 2022	HK\$176,039,334/ HK\$222,806,837	100%	-	100%	Investment holding
Zhonggan Communication Company Limited (中贛通信(集團)有限公司) (notes (i) and (iii))	PRC/ 23 May 2002	RMB65,522,636/ RMB65,522,636	100%	-	100%	Infrastructure Construction Services/ Smart City Solution Services/ Maintenance Services
Jiangxi Gelapu Technology Company Limited (江西戈拉普科技有限公司) (notes (i) and (iii))	PRC/ 30 November 2017	RMB30,000,000/ RMB30,000,000	100%	-	100%	Smart City Solution Services
Gantong Communication (Jiangxi) Company Limited (贛通通信(江西)有限公司) (notes (i) and (iii))	PRC/ 28 October 2019	RMB10,000,000/ RMB10,000,000	100%	-	100%	Yet to commence business activities
Gantong Communication (Xiamen) Company Limited (贛通通信(廈門)有限公司) (notes (i) and (iii))	PRC/ 12 November 2021	RMB Nil/ RMB1,000,000	100%	-	100%	Yet to commence business activities
Jiangxi Gelapu Software Company Limited (江西歌拉普軟件有限公司) (notes (i) and (iii))	PRC/ 11 February 2022	RMB Nil/ RMB5,000,000	100%	-	100%	Smart City Solution Services

### Notes:

- (i) The official name of this entity is in Chinese. The English name is for identification purpose only.
- (ii) This entity was registered as a wholly foreign-owned enterprise under the PRC Law.
- (iii) These entities were registered as domestic enterprises under the PRC Law.

## 29 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2025, the directors considered the ultimate controlling shareholder of the Group to be Mr. Liu Haoqiong and Ms. Tao Xiulan. As at 31 December 2025, the immediate controlling shareholder of the Company is GT & Yangtze Limited, which was incorporated in the BVI and does not produce financial statements available for public use.

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 30 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Contracts referencing nature dependent electricity	1 January 2026
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far, the Group has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements except for the following:

# Notes to the Financial Statement (Continued)

(Expressed in RMB unless otherwise indicated)

## 30 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

### HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.