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英達公路再生科技(集團)有限公司

Freetech Road Recycling Technology (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 6888

2026 INTERIM REPORT

中 期 報 告



公路醫生®



CONTENTS



- 2** Corporate Information
- 3** Management Discussion and Analysis
- 14** Corporate Governance Report and Other Information
- 19** Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 20** Condensed Consolidated Statement of Financial Position
- 22** Condensed Consolidated Statement of Changes in Equity
- 24** Condensed Consolidated Statement of Cash Flows
- 26** Notes to Condensed Consolidated Interim Financial Statements



This Interim Report is printed on environmentally friendly paper

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Sze Wai Pan
(Chairman and Chief Executive Officer)
Mr. Chan Kai King

Non-executive Directors

Ms. Sze Wan Nga
Mr. Zhou Jichang
Prof. Tong Wai Cheung Timothy
Dr. Chan Yan Chong

Independent Non-executive Directors

Ms. Yeung Sum
Prof. Lau Chi Pang, J.P.
Prof. Lai Kin Keung

Audit Committee

Ms. Yeung Sum (Chairman)
Prof. Lau Chi Pang, J.P.
Prof. Lai Kin Keung

Nomination Committee

Mr. Sze Wai Pan (Chairman)
Ms. Yeung Sum
Prof. Lau Chi Pang, J.P.

Remuneration Committee

Prof. Lau Chi Pang, J.P. (Chairman)
Ms. Yeung Sum
Ms. Sze Wan Nga

Authorised Representatives

Ms. Sze Wan Nga
Mr. Lim Eng Sun

Company Secretary

Mr. Lim Eng Sun

Registered Office

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Group Headquarters and Principal Place of Business in Hong Kong

Room 2501, 25/F, Citicorp Centre
18 Whitfield Road, Causeway Bay
Hong Kong

PRC Headquarters

9 Hengfei Road
Nanjing Technology
Development Zone
Nanjing City, Jiangsu Province, PRC

Hong Kong Branch Share Registrar and Transfer Office

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

Cayman Islands Share Register and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

Auditor

BDO Limited
Certified Public Accountants

Principal Bankers

Bank of Communications
Bank of Beijing

Company Website Address

www.freotech-holdings.hk

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS AND RATIOS

	Six-month period ended 30 June		
	2026 Unaudited HK\$'000	2025 Unaudited HK\$'000	Decrease
Revenue	12,412	82,386	(84.9%)
Gross (loss)/profit	(6,937)	34,772	(119.9%)
Loss attributable to owners of the Company	(37,883)	(9,414)	(302.4%)
Loss per share (Basic) (HK cents)	(3.88)	(0.96)	(304.2%)
Gross (loss)/profit margin ¹	(55.9%)	42.2%	

¹ (gross (loss)/profit ÷ revenue) x 100%

MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS REVIEW

The board of directors (the “Board”) hereby presents the unaudited consolidated interim results of Freetech Road Recycling Technology (Holdings) Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the six-month period ended 30 June 2026 (the “Period”).

In 2026, the global economy faced a challenging environment shaped by macroeconomic uncertainties and ongoing changes across industries. Against this backdrop, China continued to drive its “dual cycle” strategy, prioritizing innovation and green growth. As 2026 marks the start of the “15th Five-Year Plan” (《十五五》規劃), China is accelerating the green transition of its transport infrastructure under the 15th Five-Year Plan for Integrated Transport Service Development (《綜合運輸服務發展『十五五』規劃》) and the national “dual carbon” goals. The policy clearly calls for using eco-friendly maintenance materials and maximizing the recycling of reclaimed pavement. Using sustainable materials, achieving 100% recycling of old road surfaces, and cutting energy use and emissions during maintenance remain key to the industry’s long-term future. During the Period, local governments tightened road maintenance budgets, which slowed down market bidding and project execution. In response, the Group stayed disciplined under its “Quality First, Risk Control” approach, selectively focusing on high-quality projects and strong clients. As a result, both the total service area of our “Hot-in-place” projects under the asphalt pavement maintenance (“APM”) services segment and the revenue from our APM equipment segment decreased during the Period. The Group believes this prudent strategy improves our overall operating efficiency and protects our business, building a strong foundation for steady, long-term growth.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the Group's operating revenue was approximately HK\$12.4 million, representing an decrease of approximately 84.9%, as compared to the corresponding period in 2025. Total loss attributable to owners of the Company was approximately HK\$37.9 million, representing a decrease of approximately 302.4% as compared to total loss attributable to owners of the Company of approximately HK\$9.4 million for the six-month period ended 30 June 2025.

Asphalt Pavement Maintenance Services

The revenue for this segment decreased as compared with that of the corresponding period in 2025 due to the effect of decrease in the total service area of the Group's "Hot-in-Place" projects as local governments tightened road maintenance budgets which slowed down market bidding and project execution. In response, the Group stayed disciplined under its "Quality First, Risk Control" approach, selectively focusing on high-quality projects and strong clients.

The APM services segment recorded revenue of approximately HK\$9.7 million, representing a decrease of 81.2% as compared to the corresponding period in 2025. This segment shifted from gross profit margin 39.4% for the six-month period ended 30 June 2025 to gross loss margin 86.5% during the Period primarily due to fixed costs remaining incurred despite a significant decline in revenue. The Group has continued to be a leading integrated solution provider using "Hot-in-Place" recycling technology in the APM industry in the PRC.



APM Equipment

The APM equipment segment of the Group recorded revenue of HK\$2.7 million, representing decrease of 91.1% as compared to the corresponding period in 2025. The decrease in revenue and gross profit was due to: i) the sale a set of modular series equipment in the prior period did not recur during the Period; and ii) the local governments tightened road maintenance budgets which slowed down market bidding and project execution of APM standard series.

Research and Development

To maintain our leading position in using "Hot-in-Place" recycling technology in the APM industry, the Group continued to place emphasis on technological innovation.

MANAGEMENT DISCUSSION AND ANALYSIS

New Patents

During the Period, the Group continued to invest resources in research and development. As at 30 June 2026, it had registered 269 patents (as at 31 December 2025: 266), of which 40 were invention patents (as at 31 December 2025: 40), 199 were utility model patents (as at 31 December 2025: 196) and 30 were design patents (as at 31 December 2025: 30). Besides, it had 20 pending patent applications (as at 31 December 2025: 17), of which 18 invention patents (as at 31 December 2025: 14) and 2 utility model patents (as at 31 December 2025: 3).

During the Period, the Group consistently integrated artificial intelligence and automation across our entire equipment portfolio, encompassing both “Hot-in-Place” recycling train and standard series. This strategic enhancement significantly reduces reliance on manual operator judgment and specialized skill requirements. Furthermore, the expansion of our proprietary software systems to the management level has enabled us to deliver enhanced operational value to our clients. Concurrently, we have upgraded our unique asphalt pavement heating system. By expanding its fuel compatibility, we have successfully addressed operational challenges in regions characterized by restricted gas supplies or stringent regulatory constraints.

In the field of advanced materials research, we have optimized our polymer grouting formulations. This breakthrough facilitates more effective remediation of deeper subsurface structural road defects.

The Group also extend the R&D activities not only in equipment or material related but also software and control development, such as equipment automation, intelligent-assisted operation as well as management information system.

Others

With strong research and development capabilities, the Group is able to adopt the most advanced technologies in the APM industry, provide customised solutions to its clients and maintain its competitive edges and leading status in the APM industry by using the recycling technology.

OUTLOOK

As the “15th Five-Year Plan” unfolds, China’s vast road network is entering an intensive maintenance cycle. Meanwhile, under the State Council’s Action Plan for Building a Dual Control System for Carbon Emissions (《關於加快構建碳排放雙控制度體系工作方案的通知》), mandatory carbon emission “dual control” takes full effect nationwide in 2026, making low-carbon performance a core standard in project bidding. This policy shift accelerates the phase-out of high-emission traditional methods, unlocking vast market opportunities for our “Hot-in-place Recycling” technology. Furthermore, government expenditure on road maintenance and infrastructure upgrades is expected to remain substantial and continuously expand toward high-quality development. As deferred maintenance demand gradually releases and client preference for cost-effective, low-carbon solutions grows, the Group is well-positioned to capitalize on market recovery. Backed by strong technical barriers and a quality client base, we remain confident in delivering long-term, high-quality growth for our business.

MANAGEMENT DISCUSSION AND ANALYSIS

Firstly, as at 31 December 2025, China has the longest expressway and the second longest highway (in terms of mileage) in the world. The overall growth of the APM industry in the PRC remains sustainable and the existing penetration rate of recycling technology (including the Group's "Hot-in-Place" recycling technology) is still minimal and has significant potential for expansion. Secondly, the Group had developed part of the South China market which enables the Group to perform APM services during slack season. Thirdly, subsequent to the Company's sale of a modular series equipment to a customer in the Republic of Korea and standard series equipment to customers in Macau, Malaysia and Taiwan, the Company will continue to explore the overseas business opportunities and strategic cooperation with other companies, such as some listed companies and large-scale or state-owned enterprises. Fourthly, the Group will continue to leverage on its state-owned partners' overseas channels to explore overseas business opportunities. The Group is making an effort to promote its overseas business opportunities in the countries along the "One Belt One Road" and four Asian tigers. In light of above, the Group is well positioned to benefit from the government's policies and the positive development prospects in the environmental protection sector.

As a leading provider of the "Hot-in-Place" recycling technology in the APM sector and a provider of one-stop solution covering "testing, planning, equipment and construction", the Group will leverage on its competitive advantages and implement favourable policies to achieve a healthy growth in its business. The Group plans to enhance its market position, enter into new markets and enlarge its share in existing markets by the following means:

1. it will increase market penetration, particularly in cities where the use of "Hot-in-Place" recycling technology is currently relatively limited;
2. it will focus on the cities which will hold major events to gain and complete projects of high awareness;
3. it will diversify its product range and develop new product in road industry;
4. it will continue to invest in its testing and planning department by devoting more equipment and staff in it so as to enhance its one-stop solution and generate new revenue stream which is road doctor consultant services;
5. it will further optimize its techniques and technologies to lower the construction costs; and
6. it will leverage on its state-owned partners' overseas channels to expand the international APM equipment and services market.

In addition, the construction work of the investment property acquired by the Group at lot 04-05 and 04-06 of Jiangxinzhou, Jianye District, Nanjing, the PRC (中國南京市建鄴區江心洲) in December 2016 has commenced in first quarter of 2022. The investment property will not only enable the Group to enhance its research and development capabilities, but also will bring additional sale and lease income streams to the Group in future. Due to delays in the handover process between the outgoing and incoming main contractors, revisions to the design plan, and the impact of the flood season, the project completion timeline has been postponed from first quarter of 2027 to first quarter of 2028.

Looking into the future, the Group holds confidence in its business prospects and will strive to provide higher returns for its shareholders with the principle of "Efficient use of technology to create multi-win situations" ("善用科技，共創多贏").

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE REVIEW

The Group consists of two main business segments: the APM service segment, where it provides APM services under its registered trademark ‘公路醫生’ (Road Doctor) to repair damaged asphalt pavement surfaces, and the APM equipment segment, where it manufactures and sells a wide range of APM equipment.

The following is a description of the Group’s operating activities during the Period, with comparisons against the corresponding period in 2025.

1. Revenue

a. APM Services

	Six-month period ended 30 June				
	2026		2025		
	Unaudited HK\$'000	Area serviced (square meters '000)	Unaudited HK\$'000	Area serviced (square meters '000)	Decrease
Revenue (net of VAT)					
“Hot-in-Place” Projects	9,675	225	51,578	1,485	(81.2%)

	Six-month period ended 30 June				
	2026		2025		
	Unaudited HK\$'000	Margin	Unaudited HK\$'000	Margin	Decrease
Gross (loss)/profit					
“Hot-in-Place” Projects	(8,367)	(86.5%)	20,328	39.4%	(141.2%)

Revenue for this segment decreased as compared with that of the corresponding period in 2025 due to local governments tightened road maintenance budgets, resulting in fewer “Hot-in-Place” projects performed during the Period and a significant decrease in total service area during the Period.

Due to fixed costs remaining incurred despite a significant decline in revenue, this segment shifted from gross profit margin 39.4% for the six-month period ended 30 June 2025 to gross loss margin 86.5% during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

b. APM Equipment

Six-month period ended 30 June					
	2026		2025		Decrease
	Unaudited HK\$'000	units/sets	Unaudited HK\$'000	units/sets	
Revenue (net of VAT)					
Standard series	2,051	1	10,834	6	(81.1%)
Modular series	–	N/A	18,957	1	N/A
Repair and maintenance	686	N/A	1,017	N/A	(32.5%)
Total	2,737		30,808		(91.1%)

Six-month period ended 30 June					
	2026		2025		Decrease
	Unaudited HK\$'000	Margin	Unaudited HK\$'000	Margin	
Gross profit					
Standard series	1,008	49.1%	5,989	55.3%	(83.2%)
Modular series	–	N/A	7,670	40.5%	N/A
Repair and maintenance	422	61.5%	785	77.2%	(46.2%)
Total	1,430	52.2%	14,444	46.9%	(90.1%)

Revenue for the APM equipment segment for the Period decreased by 91.1% as compared to the corresponding period for 2025 which was mainly due to the sale of a set of modular series equipment in the prior period did not recur during the Period and the local governments tightened road maintenance budgets which slowed down market bidding and project execution of APM standard series. Despite the absence of these sales, the gross profit margin for the APM equipment segment increased from 46.9% for the six-month period ended 30 June 2025 to 52.2% during the Period, driven by a higher proportion of standard series equipment sales, which yield a higher gross profit margin than modular series equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Other Income

Other income was increased by approximately HK\$1.9 million from HK\$1.4 million for the six-month period ended 30 June 2025 to HK\$3.3 million for the Period, primarily due to the increase in government grant obtained during the period.

3. Reversal of Impairment Losses on Financial and Contract Assets

The reversal of the expected credit loss allowance on financial and contract assets increased from HK\$0.6 million for the six-month period ended 30 June 2025 to HK\$10.2 million during the Period, primarily due to the decrease in trade receivables and contract assets balance and driven by improved collection efficiency for trade receivables and contract assets.

4. Selling and Distribution Costs

The selling and distribution costs remained relatively stable, increased by approximately HK\$0.1 million from HK\$6.2 million for the six-month period ended 30 June 2025 to HK\$6.3 million for the Period.

5. Administrative Expenses

Administrative expenses increased by approximately HK\$1.9 million, from HK\$31.3 million for the six-month period ended 30 June 2025 to HK\$33.2 million for the Period primarily due to the appreciation of the RMB and higher business travel and corporate hospitality expenses incurred during the Period.

6. Research and Development Costs

Research and development costs decreased by approximately HK\$1.9 million, from HK\$7.3 million for the six-month period ended 30 June 2025 to HK\$5.4 million for the Period, primarily due to completion of major technical development phases and cost-efficient research strategies during the Period.

7. Finance Costs

Finance costs increased by approximately HK\$0.3 million, from HK\$2.0 million for the six-month period ended 30 June 2025 to HK\$2.3 million for the Period, primarily due to the increase in bank borrowings.

8. Share of Losses of Joint Ventures

The Group's share of losses from the joint ventures was approximately HK\$0.1 million for the Period, decreased by approximately HK\$0.7 million, as compared to the corresponding period in 2025, primarily due to the recognition of the reversal of the expected credit loss allowance on financial and contract assets of the joint ventures during the Period.

9. Income Tax Credit

Income tax credit increased by approximately HK\$2.0 million, from approximately HK\$1.8 million for the six-month period ended 30 June 2025 to approximately HK\$3.8 million for the Period, which is mainly due to the overprovision of income tax expense of the PRC's subsidiaries in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

10. Loss

Loss attributable to owners of the Company amounted to approximately HK\$37.9 million for the Period compared with loss attributable to owners of the Company of approximately HK\$9.4 million for the six-month period ended 30 June 2025, primarily due to the net effect of (i) the decrease in revenue of APM services segment and APM equipment segment; and (ii) the increase in the recognition of reversal of expected credit loss allowance of trade receivables and contract assets.

11. Liquidity and Financial Resources and Capital Structure

As at 30 June 2026, the Group's bank balances and cash, financial assets at fair value through profit or loss, time deposit and pledged bank deposits (the "Cash and Bank Deposits") amounted to approximately HK\$212.3 million (as at 31 December 2025: HK\$208.0 million). The increase was primarily due to the net effect of (1) capital expenditure incurred for addition to investment property; (2) increase in proceeds of bank borrowings; and (3) changes in foreign currency translation as a result of the appreciation of RMB against Hong Kong dollars as most of the Cash and Bank Deposits are denominated in RMB, but for the purpose of presenting consolidated financial statements, these assets and liabilities are translated into Hong Kong dollars. As at 30 June 2026, the bank borrowings of the Group amounted to approximately HK\$132.7 million (as at 31 December 2025: HK\$108.3 million). As at 30 June 2026 and as at 31 December 2025, the Group was in a net cash position.

Due to the decrease in the revenue and enhanced collection efficiency during the Period, the trade receivables and contract assets balances was decreased by HK\$74.5 million, or approximately 15.3%, from HK\$487.9 million as of 31 December 2025 to HK\$413.4 million as of 30 June 2026. The contract assets balance also includes some retention money withheld by the customers (5% to 10%) of the contract price which is to be paid after the expiration of the warranty period and was not yet past due. As at the latest practicable date, customers had subsequently settled trade receivables amounting to HK\$5.1 million (equivalent to approximately RMB4.6 million).

As at 30 June 2026, the Group's liquidity position remained stable and the Group strives to efficiently use its financial resources and adopts a prudent financial policy in order to maintain a healthy capital ratio and support its business expansion requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

12. Investment Property

As at 30 June 2026, the Group's investment property is measured using the fair value model and was approximately HK\$209.1 million (as at 31 December 2025: HK\$178.4 million). The investment property is a parcel of land and is located at lot 04-05 and 04-06 of Jiangxinzhou, Jianye District, Nanjing, the PRC (中國南京市建邺區江心洲). It was acquired by the Group in December 2016 and will be developed for research and development use. The construction has commenced in the first quarter of 2022. Due to the strict COVID-19 pandemic control in second quarter of 2022 and some changes of the construction plan, the construction works were suspended during the period from around April 2022 to around February 2023 resulting in a delay in the progress of the construction. Furthermore, due to delays in the handover process between the outgoing and incoming main contractors in 2025, revisions to the design plan, and the impact of the flood season, the project completion timeline has been postponed from first quarter of 2027 to first quarter of 2028. The Group intends to fund 80% of the contract cost by bank financing and 20% by its internal resources. The site area of the investment property is approximately 35,673 square meters, with plot ratio not more than 1.2 and gross floor area permissible for sale is no more than 40% of the total gross floor area. The investment property will be developed into the global technology research and development centre of the Group, two main office buildings with total gross floor area of approximately 25,696 square meter (the "Main Buildings") and seventeen small office buildings with total gross floor area of approximately 17,055 square meter (the "Office Buildings") will be developed. Upon the completion of the construction, the Group intends to lease some office spaces of the Main Buildings to third parties, which will bring additional income streams to the Group. The Group also decides to sell the Office Buildings to repay the construction cost. During the year ended 31 December 2021, as the management of the Group had decided to sell Office Buildings upon completion and the investment property of approximately HK\$136.5 million had been transferred to inventories. The Group intends to develop the investment property to bring additional income to the Group, it is an one-off transaction and the Group does not have the intention to enter into real estate development industry.

13. Interest-Bearing Bank Borrowings

As at 30 June 2026, the Group had total debt of HK\$132.7 million (as at 31 December 2025: HK\$108.3 million), which was comprised of guaranteed interest-bearing bank borrowings of HK\$132.7 million (as at 31 December 2025: HK\$97.2 million) and unguaranteed interest-bearing bank borrowings of HK\$nil (as at 31 December 2025: HK\$11.1 million).

As at 30 June 2026, bank balances of approximately HK\$20.4 million (as at 31 December 2025: HK\$5.3 million) was pledged to secure general banking facilities granted to the Group.

The maturity profile of the interest-bearing bank borrowings as at 31 December 2025 and 30 June 2026 were repayable within one year or demand.

14. Use of Proceeds Raised from Initial Public Offering ("IPO")

The Group received approximately HK\$687.0 million net proceeds, after deducting underwriting fees and other related expenses, from the Company's IPO. In order to enhance the efficiency of the use of the net proceeds and to balance the use of the net proceeds in a more reasonable manner while aligning with the Company's business development need, coupled with the changes in external environmental factors, the Board has resolved on 27 November 2023, the unutilised net proceeds of approximately HK\$79.7 million for establishing joint ventures and expanding APM service teams and acquisitions of other APM service providers had been re-allocated for investment in research and development activities, constructing new production facility and general corporate purposes and working capital requirements of HK\$30.0 million, HK\$14.7 million and HK\$35.0 million, respectively. For further details in respect of the change in use of proceeds from the IPO, please refer to the announcement of the Company dated 27 November 2023 and clarification announcement of the Company dated 28 November 2023.

As at 31 December 2025 and 30 June 2026, the proceeds have been fully utilized.

MANAGEMENT DISCUSSION AND ANALYSIS

15. Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

During the Period under review, there were no other significant investments held, nor were there any material acquisitions or disposals of any subsidiaries, associates or joint ventures during the Period. Save as disclosed in this Interim Report, there was no concrete plan authorised by the Board for other material investments or additions of capital assets as at the date of this Interim Report.

16. Capital Commitments and Contingent Liabilities

The Group's capital commitments are set out in note 21 to these condensed consolidated interim unaudited financial statements.

As at 30 June 2026, the Group did not have any material contingent liabilities.

17. Financial Risk Management

The Group's business is exposed to a variety of financial risks, such as interest rate risk, foreign currency risk and credit risk.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with a floating interest rate. As at 30 June 2026 and as at 31 December 2025, all of the Group's bank borrowings are at fixed interest rate. The Group has not used any interest rate swaps to hedge its interest rate risk.

The Group collects most of its revenue in Renminbi ("RMB") and most of its expenditures as well as capital expenditures are also denominated in RMB. The Group's exposures to foreign currency risk arises mainly from certain bank deposits and interest-bearing bank borrowings denominated in foreign currency of the relevant group entities. As at 30 June 2026, bank balances and cash, time deposit, pledged bank deposits, financial assets at fair value through profit or loss and time deposit of approximately HK\$204,914,000 (as at 31 December 2025: HK\$181,438,000) are denominated in RMB, the remaining balances are mainly denominated in Hong Kong dollars. As at 30 June 2026, the Group's bank borrowings denominated in RMB amounted to HK\$132,676,000 (equivalent to RMB115,000,000) (as at 31 December 2025: HK\$108,342,000 (equivalent to RMB97,500,000)). The Group has not hedged its foreign currency risk. The changes in foreign currency translation reserve during the Period was the result of the appreciation of RMB against Hong Kong dollar as the assets and liabilities of the Group are denominated in RMB, but for the purpose of presenting consolidated financial statements, these assets and liabilities are translated into Hong Kong dollars.

The Group has policies in place to evaluate credit risk when accepting new business and to limit its credit exposure to individual customers.

18. Employees and Remuneration

As at 30 June 2026, the Group had a total of 245 full time employees (as at 31 December 2025: 283). Staff costs during the Period, including directors' emoluments, totalled HK\$31.8 million (six-month period ended 30 June 2025: HK\$34.4 million). The Group provides competitive remuneration packages to retain its employees including discretionary bonus schemes, medical insurance and other allowances and benefits in kind as well as mandatory provident fund schemes for employees in Hong Kong and state-managed retirement benefit schemes for employees in the PRC. The Group stresses the importance of staff development and provides training programmes on an ongoing basis.

CORPORATE GOVERNANCE REPORT AND OTHER INFORMATION

1. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the interests and short positions of the directors and the chief executive of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(i) Long positions in the shares of the Company

Name of director	Personal Interests			Approximate percentage of existing issued share capital of the Company
	Number of share held	Corporate Interests	Total	
Mr. Sze Wai Pan ("Mr. Sze")	13,000,000	529,688,260 ⁽¹⁾	542,688,260	50.30%
Ms. Sze Wan Nga ("Ms. Sze")	880,000	29,640,000 ⁽²⁾	30,520,000	2.83%
Mr. Chan Kai King	3,166,667	–	3,166,667	0.29%
Dr. Chan Yan Chong	50,000	–	50,000	0.00%

Notes:

1. Mr. Sze is the beneficial owner of all the issued share capital of Freetech (Cayman) Ltd. ("Freetech Cayman"), Freetech (BVI) Limited ("Sze BVI") and Freetech Technology (Holdings) Limited ("Freetech Technology") and therefore is deemed to be interested in a total of 529,688,260 shares of the Company held by Freetech Cayman, Sze BVI and Freetech Technology.
2. Ms. Sze is the beneficial owner of all the issued share capital of Intelligent Executive Limited ("Intelligent Executive") and therefore is deemed to be interested in 29,640,000 shares of the Company held by Intelligent Executive. Ms. Sze is the director of Intelligent Executive, Freetech Cayman, Sze BVI and Freetech Technology.

CORPORATE GOVERNANCE REPORT AND OTHER INFORMATION

(ii) Long position in the shares of associated corporation of the Company

Name of director	Name of associated corporation	Capacity	Number of shares held in associated corporation	Percentage of existing issued share capital of the associated corporations
Mr. Sze	Freotech Cayman	Beneficial owner	1,162,956	100%
Mr. Sze	Sze BVI	Beneficial owner	1	100%
Mr. Sze	Freotech Technology	Beneficial owner	100	100%
Ms. Sze	Intelligent Executive	Beneficial owner	10,000	100%

Save as disclosed above, as at 30 June 2026, none of the directors nor the chief executive of the Company had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations.

2. INTEREST AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, so far as is known to the directors of the Company, the following persons or corporations (other than directors or the chief executive of the Company) had interests and short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company:

Name of shareholder	Capacity	Number of shares or underlying shares held in the Company	Approximate percentage of existing issued share capital of the Company
Freotech Technology ⁽¹⁾	Interest in controlled corporation	529,688,260	49.09%
Sze BVI ⁽¹⁾	Interest in controlled corporation	529,688,260	49.09%
Freotech Cayman ⁽¹⁾	Beneficial owner	529,688,260	49.09%
Bank of Communications Trustee Limited ⁽²⁾	Trustee	102,904,200	9.54%

Notes:

- The relationship between Freotech Technology, Sze BVI, Freotech Cayman and Mr. Sze is disclosed under the heading "Directors' and Chief Executive's Interests and Short Positions in Shares and underlying Shares" above.
- Bank of Communications Trustee Limited ("BOCM Trustee") is appointed by the Company to purchase such the shares of the Company on the Stock Exchange or off-market and to hold them in trust for the benefit of the employees on and subject to the terms and conditions of the scheme rules and the trust deed of the share award scheme. According to the disclosure interest form filed by BOCM Trustee on 11 April 2025, the number of shares held by BOCM Trustee were 97,236,200. During the Period under review, as additional shares acquired by BOCM Trustee, the number of shares held by BOCM Trustee were 102,904,200 as at 30 June 2026.

CORPORATE GOVERNANCE REPORT AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2026, the directors of the Company are not aware of any other persons (other than the directors of the Company whose interests are set out in the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares and underlying Shares” above) who held any interests or short positions in the shares, or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

3. SHARE OPTION SCHEME

A new share option scheme was conditionally adopted by the Company on 21 May 2024 (the “Share Option Scheme”). The purpose of the Share Option Scheme is to recognise and acknowledge the contributions of the eligible participants (including employees and directors including non-executive directors and independent non-executive directors of the Company or any of its subsidiaries) that such eligible participants have made or may make to the Group, to provide incentives and/or reward to such eligible participants for their contributions to the Group and/or to enable the Group to recruit high caliber employees and/or attract human resources that are valuable to the Group. During the Period (six-month period ended 30 June 2025: nil), no share options were granted, exercised, cancelled or lapsed under the Share Option Scheme. There were no outstanding share options under the Share Option Scheme as at 30 June 2026 (2025: nil). The total number of share options which is available for being granted under the Share Option Scheme as at 1 January 2026, 30 June 2026 and as at 31 August 2026 were 107,900,000 share options respectively.

Details of the Share Option Scheme that are required to be disclosed under Chapter 17 of the Listing Rules are disclosed in note 19 to the financial statements.

4. SHARE AWARD SCHEME

On 7 May 2014 (the “Adoption Date”), the Company adopted the share award scheme (as amended on 22 December 2020 and 7 May 2024) (the “Share Award Scheme”) under which shares of the Company (the “Awarded Shares”) may be awarded to selected employees (including executive directors) of the Group (the “Selected Employees”) pursuant to the terms of the scheme rules and trust deed of the Share Award Scheme. The Share Award Scheme aims to recognize the contributions by certain Selected Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme became effective on the Adoption Date and, unless otherwise terminated or amended, will remain in force for a term of 10 years commencing on the Adoption Date. On 7 May 2024, the Share Award Scheme has been amended that, among other things, the term of the Share Award Scheme has been extended for a term of 10 years commencing from 7 May 2024.

In connection with the implementation of the Share Award Scheme, the Board may from time to time cause to be paid certain funds to Bank of Communications Trustee Limited (the “Trustee”) for the purchase of the shares of the Company and instruct the Trustee to purchase such shares on The Stock Exchange of Hong Kong Limited or off-market and to hold them in trust for the benefit of the employees on and subject to the terms and conditions of the scheme rules and the trust deed of the Share Award Scheme. The Trustee shall not exercise any voting right attached in respect of any Awarded Shares held in trust by it under the Share Award Scheme (including but not limited to the returned shares, any bonus shares or scrip shares derived therefrom).

Subject to the provisions of the Share Award Scheme, the Board may, from time to time, grant such number of Awarded Shares to any Selected Employee at no consideration on and subject to such terms and conditions as it may in its absolute discretion determine.

CORPORATE GOVERNANCE REPORT AND OTHER INFORMATION

The aggregate number of the Awarded Shares permitted to be awarded under the Share Award Scheme throughout the duration of the Share Award Scheme is limited to 15% of the issued share capital of the Company from time to time. Since the Adoption Date and up to the date of this report, a total of 8,427,000 Awarded Shares had been vested under the Share Award Scheme, representing about 0.8 per cent of the issued share capital of the Company on the Adoption Date. The total number of unvested shares as at 1 January 2026 and 30 June 2026 were both nil share. The total number of Awarded Shares which is available for being further awarded under the Share Award Scheme as at 1 January 2026, 30 June 2026 and 31 August 2026 were 153,423,000 shares (representing 14.22 per cent of the issued share capital of the Company as at 1 January 2026, 30 June 2026 and 31 August 2026). As at 30 June 2026, taking into account the shares acquired out of the dividends from the shares held under the Trustee, there were 102,904,200 Awarded Shares held in trust under the Share Award Scheme.

When a Selected Employee has satisfied all vesting conditions, which might include service and/or performance conditions, specified by the Board at the time of making the award and become entitled to the shares of the Company forming the subject of the award, the Trustee shall transfer the relevant Awarded Shares to that employee at no consideration. The selected employee however is not entitled to receive any income or distribution, such as dividend derived from the unvested Awarded Shares allocated to him/her.

During the Period under review, nil (six-month period ended 30 June 2025: nil) Awarded Shares had been awarded.

Further details of the Share Award Scheme are disclosed in note 20 to the financial statements.

5. CORPORATE GOVERNANCE CODE

The Board is committed to achieving a high standard of corporate governance to safeguard the interests of the Company's shareholders and to enhance corporate value and accountability. During the Period, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules, except code provision C.2.1 as more particularly described below.

CG Code provision C.2.1 provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Board considers that the Company is still in its growing stage and it would be beneficial to the Group for Mr. Sze to assume both roles as the chairman and chief executive officer of the Company since the two roles tend to reinforce each other and are mutually enhancing in respect of the Group's continual growth and development. When the Group has developed to a more sizeable organisation, the Board will consider separating the two roles to be assumed by two individuals. With the strong business experience of the directors of the Company, the Group does not expect any issues would arise due to the combined roles of Mr. Sze. The Group also has in place an internal control system to perform a check-and-balance function. There are also three independent non-executive directors on the Board offering strong, independent and differing perspectives. The Board is therefore of the view that there is an adequate balance-of-power and safeguards in place to enable the Company to make and implement decisions promptly and effectively.

CORPORATE GOVERNANCE REPORT AND OTHER INFORMATION

6. AUDIT COMMITTEE

The audit committee of the Company has been set up in accordance with the Listing Rules. The audit committee comprises three independent non-executive directors, namely Ms. Yeung Sum (Chairman), Prof. Lau Chi Pang, J.P. and Prof. Lai Kin Keung (including one independent non-executive director with the appropriate professional qualifications).

At an audit committee meeting held on 31 August 2026, the audit committee, along with the management of the Company, reviewed the accounting principles and practices adopted by the Group and other financial reporting matters as well as the interim condensed consolidated unaudited financial statements for the Period. The audit committee was satisfied that the financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Period.

7. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules.

Specific enquiry has been made to all the directors and the directors have confirmed that they have complied with the Model Code during the Period.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company (the "Employees Written Guidelines").

No incident of non-compliance with the Employees Written Guidelines was noted by the Company during the Period.

8. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the Period. As at 30 June 2026, the Company did not hold any treasury shares.

9. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (for the six-month period ended 30 June 2025: nil).

On behalf of the Board

Mr. Sze Wai Pan

Chairman and Chief Executive Officer

Hong Kong, 31 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2026

	Notes	Six-month period ended 30 June	
		2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
REVENUE	3	12,412	82,386
Cost of sales		(19,349)	(47,614)
Gross (loss)/profit		(6,937)	34,772
Other income	4	3,299	1,448
Other gains and losses, net	5	(99)	(264)
Reversal of impairment losses on financial and contract assets	16	10,187	550
Selling and distribution costs		(6,306)	(6,197)
Administrative expenses		(33,223)	(31,313)
Research and development costs		(5,414)	(7,287)
Other expenses		(136)	(49)
Share of losses of joint ventures		(148)	(843)
Finance costs	6	(2,335)	(1,976)
LOSS BEFORE INCOME TAX EXPENSE	7	(41,112)	(11,159)
Income tax credit	8	3,824	1,804
LOSS FOR THE PERIOD		(37,288)	(9,355)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Items that will not be reclassified to profit or loss:			
Exchange differences arising from translation		19,757	17,257
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		(44)	(296)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		19,713	16,961
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(17,575)	7,606
(Loss)/profit for the period attributable to:			
Owners of the Company		(37,883)	(9,414)
Non-controlling interests		595	59
		(37,288)	(9,355)
Total comprehensive income for the period attributable to:			
Owners of the Company		(17,996)	7,649
Non-controlling interests		421	(43)
		(17,575)	7,606
Loss per share attributable to equity holders of the Company	10		
— Basic (HK cents)		(3.88)	(0.96)
— Diluted (HK cents)		(3.88)	(0.96)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	75,670	74,433
Investment property	11	209,065	178,360
Right-of-use assets		7,518	8,673
Other intangible assets		376	600
Interests in joint ventures		4,960	6,045
Equity instruments at FVTOCI		2,466	2,366
Prepayments and deposits for acquisition of leasehold land		3,769	3,630
		303,824	274,107
CURRENT ASSETS			
Inventories	12	223,911	198,856
Trade receivables	13	81,433	110,769
Contract assets	14	79,291	123,060
Prepayments, deposits and other receivables	15	36,495	35,786
Tax recoverable		1,999	–
Financial assets at fair value through profit or loss (“FVTPL”)		–	7,778
Pledged bank deposits		20,373	5,349
Time deposits		17,306	–
Bank balances and cash		174,594	194,859
		635,402	676,457
CURRENT LIABILITIES			
Bills, trade and other payables	17	136,386	148,909
Contract liabilities		393	2,102
Taxation payable		–	3,156
Lease liabilities		2,245	2,206
Bank borrowings		132,676	108,342
		271,700	264,715
NET CURRENT ASSETS		363,702	411,742
TOTAL ASSETS LESS CURRENT LIABILITIES		667,526	685,849

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		17,350	16,775
Lease liabilities		1,443	2,576
		18,793	19,351
		648,733	666,498
CAPITAL AND RESERVES			
Share capital	18	107,900	107,900
Reserves		542,984	561,170
Attributable to owners of the Company		650,884	669,070
Non-controlling interests		(2,151)	(2,572)
Total equity		648,733	666,498

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Shares held under the share award scheme HK\$'000 (Note c)	Contributed surplus HK\$'000 (Note a)	Reserve funds HK\$'000 (Note b)	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Investment revaluation reserve HK\$'000	Total HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
At 1 January 2026 (Audited)	107,900	732,463	(29,842)	25,328	91,373	(94,869)	(158,591)	(4,692)	669,070	(2,572)	666,498
(Loss)/profit for the period	-	-	-	-	-	-	(37,883)	-	(37,883)	595	(37,288)
Other comprehensive income for the period	-	-	-	-	-	19,931	-	(44)	19,887	(174)	19,713
Total comprehensive income for the period	-	-	-	-	-	19,931	(37,883)	(44)	(17,996)	421	(17,575)
Share purchased for share award	-	-	(190)	-	-	-	-	-	(190)	-	(190)
At 30 June 2026 (Unaudited)	107,900	732,463	(30,032)	25,328	91,373	(74,938)	(196,474)	(4,736)	650,884	(2,151)	648,733

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2026

	Share capital HK\$'000	Share premium HK\$'000	Shares held under the share award scheme HK\$'000 (Note c)	Contributed surplus HK\$'000 (Note a)	Reserve funds HK\$'000 (Note b)	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Investment revaluation reserve HK\$'000	Total HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
At 1 January 2025 (Audited)	107,900	732,463	(27,979)	25,328	91,344	(122,315)	(104,816)	(2,751)	699,174	9,592	708,766
(Loss)/profit for the period	–	–	–	–	–	–	(9,414)	–	(9,414)	59	(9,355)
Other comprehensive income for the period	–	–	–	–	–	17,359	–	(296)	17,063	(102)	16,961
Total comprehensive income for the period	–	–	–	–	–	17,359	(9,414)	(296)	7,649	(43)	7,606
Share purchased for share award	–	–	(1,812)	–	–	–	–	–	(1,812)	–	(1,812)
At 30 June 2025 (Unaudited)	107,900	732,463	(29,791)	25,328	91,344	(104,956)	(114,230)	(3,047)	705,011	9,549	714,560

Notes:

- The contributed surplus represents the difference between the Company's shares of the nominal value of the paid-up capital of the subsidiaries acquired over the Company's cost of acquisition of the subsidiaries under common control upon the reorganisation, details of which are set out under the section "History and Corporate Structure" to the Company's prospectus dated 14 June 2013.
- Pursuant to the relevant laws and regulations, a portion of the profits of the Company's subsidiaries which are established in the PRC has been transferred to reserve funds which are restricted to use.
- The amount represents payments by the Group to the trustee of the Share Award Scheme (as defined in note 20), net off with the vested portion to selected employees who have been awarded shares under the Share Award Scheme. Details of the Share Award Scheme is set out in note 20.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026

	Notes	Six-month period ended 30 June	
		2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Operating activities			
Loss before income tax expense		(41,112)	(11,159)
Adjustments for:			
Interest income	4	(971)	(1,031)
Finance costs	6	2,335	1,976
Share of losses of joint ventures		148	843
Depreciation of property, plant and equipment	7	8,409	7,693
Depreciation of right-of-use assets	7	1,309	1,436
Amortisation of other intangible assets	7	37	234
(Gain)/loss on disposal of property, plant and equipment	7	(2)	215
Reversal of impairment losses on financial and contract assets, net			
— trade receivables and contract assets	16	(9,734)	(532)
— other receivables	16	(453)	(18)
Unrealised exchange differences		(1,588)	3,041
Operating cash flows before movements in working capital		(41,622)	2,698
Increase in inventories		(17,286)	(5,074)
Decrease in bills and trade receivables		45,413	1,023
Decrease/(increase) in contract assets		45,593	(5,594)
(Decrease)/increase in contract liabilities		(1,774)	(206)
Decrease/(increase) in prepayments, deposits and other receivables		877	(9,483)
Decrease in bills, trade and other payables		(17,812)	(17,781)
Cash generated from/(used in) operations		13,389	(34,417)
Interest paid		(2,335)	(1,976)
Income tax paid		(1,467)	(805)
Net cash flows generated from/(used in) operating activities		9,587	(37,198)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2026

		Six-month period ended 30 June	
	Notes	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Investing activities			
Interest received		971	1,031
Purchase of property, plant and equipment	11	(7,248)	(2,302)
Proceeds from disposal of property, plant and equipment		29	2,815
Addition to investment property	11	(24,422)	(547)
Addition to other intangible assets		(51)	(189)
Placement of financial assets at FVTPL		(8,570)	(361,872)
Withdrawal of financial assets at FVTPL		16,569	255,249
Placement of pledged bank deposits		(37,185)	(5,083)
Withdrawal of pledged bank deposits		5,366	9,316
Net cash flows used in investing activities		(54,541)	(101,582)
Financing activities			
Bank borrowing raised		73,089	58,003
Repayment of bank borrowings		(53,092)	(54,202)
Decrease in bills, trade and other payables		–	(24,000)
Repayment of principal portion of lease liabilities		(1,093)	(1,087)
Purchase of shares held under the share award scheme		(190)	(1,812)
Net cash flows generated from/(used in) financing activities		18,714	(23,098)
Net decrease in cash and cash equivalents		(26,240)	(161,878)
Cash and cash equivalents at beginning of period		194,859	279,258
Effect of exchange rate changes on the balance of cash held in foreign currencies		5,975	5,207
Cash and cash equivalents at the end of the period, represented by bank balances and cash		174,594	122,587

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

1. CORPORATE INFORMATION

Fretech Road Recycling Technology (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 8 June 2011 under the Companies Law, Chapter 22 of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the period, the Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the manufacturing and sale of road maintenance equipment, provision of road maintenance services, and development, sales and leasing of properties in the People’s Republic of China (the “PRC”).

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for investment property and financial instruments which measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months period ended 30 June 2026 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2025.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to HKFRS	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7
Accounting Standards — Volume 11	

The application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION

3.1 Revenue

Disaggregation of revenue from contracts with customers

Segments	For the six months ended 30 June 2026		
	Maintenance Services (Unaudited) HK\$'000	Sale of equipment (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Types of goods			
Maintenance Service			
— “Hot-in-place” Projects	9,675	–	9,675
Sales of equipment			
— Standard series	–	2,051	2,051
— Modular series	–	–	–
— Repair and maintenance	–	686	686
Total	9,675	2,737	12,412
Geographical markets			
Mainland China	9,675	2,535	12,210
Overseas	–	202	202
Total	9,675	2,737	12,412
Timing of revenue recognition			
A point in time	–	2,737	2,737
Over time	9,675	–	9,675
Total	9,675	2,737	12,412

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

3.1 Revenue *(Continued)*

Disaggregation of revenue from contracts with customers *(Continued)*

Segments	For the six months ended 30 June 2025		
	Maintenance Services (Unaudited)	Sale of equipment (Unaudited)	Total (Unaudited)
	HK\$'000	HK\$'000	HK\$'000
Types of goods			
Maintenance Service			
— “Hot-in-place” Projects	51,578	—	51,578
Sales of equipment			
— Standard series	—	10,834	10,834
— Modular series	—	18,957	18,957
— Repair and maintenance	—	1,017	1,017
Total	51,578	30,808	82,386
Geographical markets			
Mainland China	51,578	29,189	80,767
Overseas	—	1,619	1,619
Total	51,578	30,808	82,386
Timing of revenue recognition			
A point in time	—	30,808	30,808
Over time	51,578	—	51,578
Total	51,578	30,808	82,386

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

3.2 Operating segment

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

Maintenance services	—	Provision of road maintenance services
Sale of equipment	—	Manufacturing and sale of road maintenance equipment
Properties	—	Development, sales and leasing of properties

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted loss before income tax. The adjusted loss before income tax is measured consistently with the Group's loss before income tax except that interest income, exchange differences, share of losses of joint ventures, finance costs, as well as head office and corporate expenses are excluded from such measurement.

Geographic information

The Group's revenue from external customers is derived substantially from its operations in the PRC, and the non-current assets of the Group are substantially located in the PRC.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the six-month period ended 30 June 2026 and 2025 is set out below:

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Customer A — Manufacturing and sale of road maintenance equipment	—	18,957
Customer B — Provision of road maintenance services	—	14,212
Customer C — Provision of road maintenance services	3,689	—
Customer D — Provision of road maintenance services	2,097	—
Customer E — Manufacturing and sale of road maintenance equipment	1,882	—
Customer F — Provision of road maintenance services	1,760	—
Customer G — Provision of road maintenance services	1,708	—

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.2 Operating segment (Continued)

	For the six-month period ended 30 June 2026			
	Maintenance Services (Unaudited) HK\$'000	Sale of equipment (Unaudited) HK\$'000	Properties (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:				
Sales to external customers	9,675	2,737	–	12,412
Other revenue	1,744	63	–	1,807
Revenue	11,419	2,800	–	14,219
Allocated corporate expenses	(29,468)	(16,097)	(160)	(45,725)
Segment results	(18,049)	(13,297)	(160)	(31,506)
<i>Reconciliation:</i>				
Interest income				971
Foreign exchange losses, net				(44)
Finance costs				(2,335)
Unallocated corporate expenses				(8,050)
Share of losses of joint ventures				(148)
Loss before income tax expense				(41,112)
Other segment information:				
Impairment losses reversed in respect of trade receivables, contract assets and other receivables	(9,387)	(718)	(82)	(10,187)
Depreciation and amortisation	7,385	2,359	–	9,744
Capital expenditure*	1,597	5,249	24,422	31,268

* Capital expenditure consists of additions to property, plant and equipment, investment property, right-of-use assets and other intangible assets.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

3. REVENUE AND SEGMENT INFORMATION (Continued)

3.2 Operating segment (Continued)

	For the six-month period ended 30 June 2025			
	Maintenance	Sale of	Properties	Total
	Services	equipment	(Unaudited)	(Unaudited)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:				
Sales to external customers	51,578	30,808	–	82,386
Other revenue	12	405	–	417
Revenue	51,590	31,213	–	82,803
Allocated corporate expenses	(46,699)	(38,248)	(238)	(85,185)
Segment results	4,891	(7,035)	(238)	(2,382)
<i>Reconciliation:</i>				
Interest income				1,031
Foreign exchange gain, net				80
Finance costs				(1,976)
Unallocated corporate expenses				(7,069)
Share of losses of joint ventures				(843)
Loss before income tax expense				(11,159)
Other segment information:				
Impairment losses reversed in respect of				
trade receivables, contract assets and				
other receivables	(106)	(444)	–	(550)
Depreciation and amortisation	7,220	2,143	–	9,363
Capital expenditure*	2,184	6,403	547	9,134

* Capital expenditure consists of additions to property, plant and equipment, investment property, right-of-use assets and other intangible assets.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

4. OTHER INCOME

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Government grants (Note)	1,728	404
Interest income	971	1,031
Waiver of long outstanding payable	529	–
Others	71	13
	3,299	1,448

Note: The government grants mainly represent unconditional subsidies from PRC local governments to encourage the operations of certain subsidiaries. The government grants are accounted for as immediate financial support with no future related costs expected to be incurred and are not related to any assets.

5. OTHER GAINS AND LOSSES, NET

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Gain/(loss) on disposal of property, plant and equipment	2	(215)
Donations	(57)	(129)
Foreign exchange (losses)/gains, net	(44)	80
	(99)	(264)

6. FINANCE COSTS

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Interest on:		
— Bank borrowings	2,263	1,915
— Lease liabilities	72	61
	2,335	1,976

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

7. LOSS BEFORE INCOME TAX EXPENSE

The Group's loss before income tax is arrived at after charging/(crediting):

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Depreciation of property, plant and equipment	8,409	7,693
Depreciation of right-of-use assets	1,309	1,436
Amortisation of other intangible assets	37	234
Short-term lease expenses	579	646
(Gain)/loss on disposal of property, plant and equipment	(2)	215
Reversal of impairment losses on trade receivables and contract assets	(9,734)	(532)
Reversal of impairment losses on other receivables	(453)	(18)
Foreign exchange losses/(gains), net	44	(80)

8. INCOME TAX CREDIT

The charge comprises:

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
PRC Enterprise Income Tax ("EIT"):		
— Current tax	74	147
— Over provision in prior years	(3,498)	(1,560)
	(3,424)	(1,413)
Deferred tax credit	(400)	(391)
	(3,824)	(1,804)

No provision for Hong Kong Profits Tax has been made since there is no tax assessable profit for the six-month period ended 30 June 2025 and 2026.

Except as described below, provision for PRC EIT is made based on the estimated taxable income for PRC taxation purposes at 25% pursuant to the Law of the PRC on Enterprise Income Tax and Implementation Regulation.

英達熱再生有限公司 Freetech Road Recycling Corporation was recognised as a High-Tech company in 2022 and 2025 respectively and the applicable tax rate is 15% from 18 November 2022 to 17 November 2025 and from 18 November 2025 to 17 November 2028.

南京英達公路養護車製造有限公司 Nanjing Freetech Road Maintenance Vehicle Manufacturing Corporation was recognised as a High-Tech company in 2022 and 2025 respectively and the applicable tax rate is 15% from 12 December 2022 to 11 December 2025 and from 19 December 2025 to 18 December 2028.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

9. DIVIDENDS

At a meeting of the board of directors held on 31 August 2026, the directors resolve not to pay any interim dividend to shareholders (six-month period ended 30 June 2025: Nil).

10. LOSS PER SHARE

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

Loss

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Loss for the purposes of calculating basic and diluted loss per share — attributable to the owners of the Company	(37,883)	(9,414)

Number of shares

	Six-month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Weighted average number of ordinary shares in issue less shares held under share award scheme during the period for the purpose of calculating basic loss per share	976,263,756	982,635,236
Effect of dilutive potential ordinary shares:		
Unvested share award	—	—
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	976,263,756	982,635,236

The computation of diluted loss per share for the six-month period ended 30 June 2026 did not assume the vesting of the Company's outstanding share awards as that would decrease the loss per share for the year presented.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

11. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the six-month period ended 30 June 2026, the Group acquired property, plant and equipment, and investment property of HK\$7,248,000 and HK\$24,422,000, respectively (six-month period ended 30 June 2025: HK\$2,302,000 and HK\$547,000).

The fair value of the Group's investment property was arrived at on the basis of a valuation carried out at the end of the reporting period by Beijing Huaya Zhengxin Assets Appraisal Co., Ltd. (北京華亞正信資產評估有限公司), who is a firm of independent valuer qualifications, on income capitalisation basis. There is no changes in fair value of investment property for the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: Nil).

12. INVENTORIES

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Raw materials	10,246	13,705
Work-in-progress	26,378	20,734
Finished goods	385	–
Property under development for sale	186,902	164,417
	223,911	198,856

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

13. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The Group's trade customers are principally government agencies. The credit period is determined on a case by case basis, subject to the fulfillment of conditions as stipulated in the respective sales contracts. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Within 3 months	115	21,143
3 to 12 months	18,541	23,352
1 to 2 years	29,386	24,062
Over 2 years	33,391	42,212
	81,433	110,769

As at 30 June 2026, included in the trade receivables are amounts due from the Group's related companies of HK\$8,925,000 (31 December 2025: HK\$436,000), which are repayable on credit terms similar to those offered to the major customers of the Group, details of which are set out in note 24.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

14. CONTRACT ASSETS

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Provision of road maintenance services	85,507	127,872
Sale of road maintenance equipment	16,753	17,089
	102,260	144,961
Less: Allowance for credit losses	(22,969)	(21,901)
	79,291	123,060

The contract assets primarily relate to the Group's right to consideration for work completed and not billed nor due because the rights are conditioned on the Group's future performance in achieving specified milestone at the reporting date on sale of road maintenance equipment and provision of road maintenance services. The contract assets are transferred to trade receivables when the rights become unconditional.

Details of the impairment assessment are set out in note 16.

As at 30 June 2026, included in the contract assets are amounts due from the Group's related companies of HK\$13,626,000 (31 December 2025: HK\$28,802,000), details of which are set out in note 24.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Other receivables	9,818	7,315
Prepayments and deposits	22,724	24,604
Other tax recoverable	3,953	3,867
	36,495	35,786

As at 30 June 2026, included in the prepayments, deposits and other receivables are amounts due from the Group's related companies of HK\$Nil (31 December 2025: HK\$3,066,000), which are unsecured, interest-free and have no fixed terms of repayment, details of which are set out in note 24.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

16. REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT ASSETS

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Reversal of impairment losses on financial and contract assets recognised on:		
Trade receivables and contract assets	(9,734)	(532)
Other receivables	(453)	(18)
	(10,187)	(550)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements. For the six-month period ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

17. BILLS, TRADE AND OTHER PAYABLES

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Bills payable	17,735	3,608
Trade payables	37,432	53,147
Other tax payables	13,351	18,496
Other payables and accrued charges	67,868	73,658
	136,386	148,909

The following is an aging analysis of bills payable at the end of the reporting period:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
0 to 180 days	17,735	3,608

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

17. BILLS, TRADE AND OTHER PAYABLES (Continued)

An aging analysis of the Group's trade payables at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Within 3 months	13,552	29,998
3 to 12 months	13,404	9,781
1 to 2 years	2,895	187
Over 2 years	7,581	13,181
	37,432	53,147

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 180 days.

As at 30 June 2026, included in the Group's trade payables are amounts due to related companies of approximately HK\$4,594,000 (31 December 2025: HK\$9,765,000), which are repayable within 90 days, which represents credit terms similar to those offered by the related companies to their major customers, details of which are set out in note 24.

18. SHARE CAPITAL

Shares

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Authorised: 10,000,000,000 (31 December 2025: 10,000,000,000) ordinary shares of HK\$0.10 each	1,000,000	1,000,000
Issued and fully paid: 1,079,000,000 (31 December 2025: 1,079,000,000) ordinary shares of HK\$0.10 each	107,900	107,900

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

19. SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of recognising and acknowledging the contributions of the eligible participants have made or may make to the Group, providing incentives and/or reward to the eligible participants for their contributions to the Group and/or enabling the Group to recruit high-calibre employees and/or attracting human resources that are valuable to the Group. Eligible persons of the Scheme include any director or any employee employed by any members of the Group from time to time (whether full time or part time), including persons who are granted share options under the Scheme as an inducement to enter into employment contracts with any of such companies. The Scheme became effective on 22 May 2024 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

The maximum number of share options currently permitted to be granted under the Scheme is an amount equivalent, to 10% of the shares of the Company as at the adoption date of the Scheme. Where any grant of share options to an eligible participant would result in the shares issued and to be issued in respect of all options and awards granted under the Scheme and other schemes of the Company to such eligible participant (excluding any options and awards lapsed in accordance with the terms of the Scheme and other schemes of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares in issue at date of such grant, such grant shall be subject to the approval of shareholders in shareholders’ meeting.

Any grant of share options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by independent non-executive director (excluding any independent non-executive director who is the proposed grantee of such options); and where any grant of share options to an independent non-executive director or a substantial shareholder of the Company or any of their respective associates would result in shares of the Company issued and to be issued in respect of all options and awards granted under the Scheme and other scheme of the Company (excluding options lapsed) to such person in a 12 month-period up to and including the date of such grant representing 0.1% of the shares in issue, such further grant shall be approved by shareholders of the Company in general meeting.

The offer of a grant of share options may be accepted within twenty eight days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company and ends on a date which is not later than ten years from the date of offer of share options or the expiry date of the Scheme, if earlier.

The exercise price of share options is determinable by the directors of the Company, but may not be less than the higher of (i) the nominal value of a share; (ii) the closing price of a share as stated in the Hong Kong Stock Exchange’s daily quotation sheet on the offer date; and (iii) the average closing price of a share as stated in the Hong Kong Stock Exchange’s daily quotation sheets for the five business days immediately preceding the offer date.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

During the Period, no share options were granted, exercised, cancelled or lapsed by the Company under the Scheme. There were no outstanding share options under the Scheme as at 30 June 2026 and 31 December 2025. The total number of share options which is available for being granted under the Scheme as at 1 January 2026 and 30 June 2026 were 107,900,000 share options.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

20. SHARE AWARD SCHEME

On 7 May 2014, the Company adopted the share award scheme (as amended on 22 December 2020) (the “Share Award Scheme”) under which shares of the Company may award selected employees (including executive directors) of the Group (the “Selected Employees”) pursuant to the terms of the scheme rules and trust deed of the Share Award Scheme. The Share Award Scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for a term of 10 years commencing on the adoption date. On 7 May 2024, the Share Award Scheme has been amended that, among other things, the term of the Share Award Scheme has been extended for a term of 10 years commencing from 7 May 2024.

The aggregate number of the awarded shares (the “Awarded Shares”) permitted to be awarded under the Share Award Scheme throughout the duration of the Share Award Scheme is limited to 15% of the issued share capital of the Company from time to time.

When a selected employee has satisfied all vesting conditions, which might include service and/or performance conditions specified by the board of directors of the Company at the time of making the award and become entitled to the shares of the Company forming the subject of the award, the trustee shall transfer the relevant Awarded Shares to that employee at no consideration. The selected employee however is not entitled to receive any income or distribution, such as dividend derived from the unvested Awarded Shares allocated to him/her.

During the six-month period ended 30 June 2026, based on the Company’s instruction, the trustee acquired 1,050,000 shares of HK\$0.15 each (six-month period ended 30 June 2025: 10,410,000 shares of HK\$0.17 each) in the Company for the Share Award Scheme through purchases in the open market and off-market at a total cost, including related transaction costs of approximately HK\$190,000 (six-month period ended 30 June 2025: HK\$1,812,000).

No share was awarded under the share award scheme during the six-month period ended 30 June 2026 (six-month period ended 30 June 2025: Nil).

The closing price of the Company’s shares immediately before 8 June 2020, the date of grant of the awarded shares, was HK\$0.142 and the average fair value per share was HK\$0.110, HK\$0.098 and HK\$0.094 respectively, which was calculated by Black-Scholes Option Pricing Model.

The closing price of the Company’s shares immediately before 28 May 2021, the date of grant of the awarded shares, was HK\$0.315 and the average fair value per share was HK\$0.304, HK\$0.199 and HK\$0.184 respectively, which was calculated by Black-Scholes Option Pricing Model.

At the date of approval of these financial statements, 102,904,200 outstanding Awarded Shares (including those Awarded Shares forfeited) are held by the Trustee of the Share Award Scheme for relevant grantees and have yet to be awarded.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

21. CAPITAL COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Contracted, but not provided for:		
Leasehold land	15,076	14,521
Property, plant and equipment	1,182	950
Construction contract	239,765	257,356
	256,023	272,827

22. PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged the following asset to secure the general banking facilities granted to the Group.

	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Bank deposits	20,373	5,349

23. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

24. RELATED PARTY AND CONNECTED PARTY DISCLOSURES

a) Related party and connected party transactions

During the period, other than those disclosed elsewhere in these condensed consolidated interim financial statements, the Group had the following significant transactions with its related companies and connected parties:

Name	Road maintenance service six-month period ended 30 June		Consulting service six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Freotech Technology (Holdings) Limited (Note (1))**	–	–	1,250	1,450
南京路捷道路養護有限公司 Nanjing Lujie Road Maintenance Engineering Co., Ltd. ("Nanjing Lujie") (note (2))**	495	14,212	–	–

Notes:

** Related party identified under HKAS 24

(1) Freotech Technology (Holdings) Limited is the ultimate holding company of the Group.

(2) Nanjing Lujie is joint venture of the Group.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2026

24. RELATED PARTY AND CONNECTED PARTY DISCLOSURES *(Continued)*

b) Details of the amounts due from related parties and connected parties are as follows:

Name of related parties and connected parties	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Nanjing Lujie	22,551	32,304

c) Details of the amounts due to related parties and connected parties are as follows:

Name of related parties and connected parties	30 June 2026 (Unaudited) HK\$'000	31 December 2025 (Audited) HK\$'000
Nanjing Lujie (note)	4,421	9,598
Lianyungang Luda (note)	173	167
	4,594	9,765

Note: Lianyungang Luda is joint venture of the Group.

d) Compensation of key management personnel of the Group

In the opinion of the directors of the Company, the directors of the Company represented the key management personnel of the Group. Compensation of key management of the Group during the six-month period ended 30 June 2026 and 2025 is as follows:

	Six-month period ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Short term employee benefits	2,161	2,152
Post-employment benefits	31	30
	2,192	2,182

25. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 31 August 2026.



Freotech Road Recycling Technology (Holdings) Limited
英達公路再生科技(集團)有限公司