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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)
(stock code: 6888)

**ANNUAL RESULTS ANNOUNCEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2025,
 AND
 CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE**

The board of directors (the “Board”) of Freetech Road Recycling Technology (Holdings) Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	Increase/ (Decrease)
Revenue	133,798	187,958	(28.8%)
Gross profit	42,672	89,968	(52.6%)
(Loss)/profit attributable to owners of the Company			
— From continuing and discontinued operations	(55,814)	12,557	(544.5%)
— From continuing operations	(55,814)	5,273	(1,158.5%)
— From discontinued operation	—	7,284	N/A
(Loss)/earnings per share (Basic) <i>(HK cents)</i>			
— From continuing and discontinued operations	(4.80)	1.26	(481.0%)
— From continuing operations	(4.80)	0.53	(1,005.7%)
— From discontinued operation	—	0.73	N/A

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
REVENUE	<i>4</i>	133,798	187,958
Cost of sales		<u>(91,126)</u>	<u>(97,990)</u>
Gross profit		42,672	89,968
Other income	<i>6</i>	5,271	5,884
Other gains and losses, net	<i>7</i>	7,085	7,066
(Provision for)/reversal of impairment losses on financial and contract assets	<i>9</i>	(7,088)	5,074
Selling and distribution costs		(13,460)	(16,734)
Administrative expenses		(68,605)	(63,146)
Research costs		(17,369)	(14,435)
Other expenses		(226)	(16)
Share of profit or losses of joint ventures		(816)	14
Finance costs	<i>8</i>	<u>(3,343)</u>	<u>(3,698)</u>
(LOSS)/PROFIT BEFORE INCOME TAX EXPENSE		(55,879)	9,977
Income tax expense	<i>11</i>	<u>(459)</u>	<u>(5,209)</u>
(Loss)/profit for the year from continuing operations		(56,338)	4,768
Profit from a discontinued operation (net of tax)	<i>18</i>	<u>–</u>	<u>16,532</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(56,338)</u>	<u>21,300</u>

<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
OTHER COMPREHENSIVE INCOME		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)	(1,941)	(1,789)
Exchange differences arising from translation to presentation currency	<u>29,247</u>	<u>(25,433)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>27,306</u>	<u>(27,222)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(29,032)</u>	<u>(5,922)</u>
(Loss)/profit for the year attributable to:		
Owners of the Company	(55,814)	12,557
Non-controlling interests	<u>(524)</u>	<u>8,743</u>
	<u>(56,338)</u>	<u>21,300</u>
Total comprehensive income attributable to:		
Owners of the Company	(28,241)	(13,192)
Non-controlling interests	<u>(791)</u>	<u>7,270</u>
	<u>(29,032)</u>	<u>(5,922)</u>

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
(Loss)/profit for the year attributable to owners of the company			
— from continuing operations		(55,814)	5,273
— from a discontinued operation		—	7,284
		<u>(55,814)</u>	<u>12,557</u>
Total comprehensive income attributable to owners of the company			
— from continuing operations		(28,241)	(19,569)
— from a discontinued operation		—	6,377
		<u>(28,241)</u>	<u>(13,192)</u>
(LOSS)/EARNINGS PER SHARE			
ATTRIBUTABLE TO EQUITY			
HOLDERS OF THE COMPANY	<i>13</i>		
From continuing and discontinued operations			
— Basic (HK cents)		(4.80)	1.26
— Diluted (HK cents)		(4.80)	1.26
		<u>(4.80)</u>	<u>1.26</u>
From continuing operations			
— Basic (HK cents)		(4.80)	0.53
— Diluted (HK cents)		(4.80)	0.53
		<u>(4.80)</u>	<u>0.53</u>
From a discontinued operation			
— Basic (HK cents)		—	0.73
— Diluted (HK cents)		—	0.73
		<u>—</u>	<u>0.73</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		74,433	86,497
Right-of-use assets		8,673	5,126
Investment property		178,360	144,325
Goodwill		–	–
Other intangible assets		600	271
Interests in joint ventures		6,045	6,543
Equity instruments at FVTOCI		2,366	4,165
Prepayments and deposits for acquisition of leasehold land		3,630	3,474
Deferred tax assets		–	–
		274,107	250,401
CURRENT ASSETS			
Inventories		198,856	167,244
Bills and trade receivables	<i>14</i>	110,769	84,656
Contract assets		123,060	154,620
Prepayments, deposits and other receivables	<i>15</i>	35,786	32,611
Financial assets at fair value through profit or loss (“FVTPL”)		7,778	–
Pledged bank deposits		5,349	14,502
Bank balances and cash		194,859	279,258
		676,457	732,891
CURRENT LIABILITIES			
Bills, trade and other payables	<i>16</i>	148,909	135,781
Contract liabilities		2,102	548
Taxation payable		3,156	3,838
Bank borrowings		108,342	117,506
Lease liabilities		2,206	984
		264,715	258,657
NET CURRENT ASSETS		411,742	474,234
TOTAL ASSETS LESS CURRENT LIABILITIES		685,849	724,635

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Lease liabilities		2,576	–
Deferred tax liabilities		16,775	15,869
		<u>19,351</u>	<u>15,869</u>
NET ASSETS		<u>666,498</u>	<u>708,766</u>
CAPITAL AND RESERVES			
Share capital	<i>17</i>	107,900	107,900
Reserves		561,170	591,274
		<u>669,070</u>	<u>699,174</u>
Attributable to owners of the Company		(2,572)	9,592
Non-controlling interests		<u>666,498</u>	<u>708,766</u>
TOTAL EQUITY		<u>666,498</u>	<u>708,766</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

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. Its subsidiaries (the Company and its subsidiaries are collectively referred to as the “Group”) are principally engaged in the manufacturing and sales 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”).

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 26 June 2013.

The Company’s functional currency is Renminbi (“RMB”). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”). The directors of the Company consider that the presentation of the consolidated financial statements in HK\$ is more appropriate for a company listed in Hong Kong and for the convenience of the shareholders of the Company.

2. BASIS OF PREPARATION

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

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

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSS

3.1 New standards, interpretations and amendments — effective 1 January 2025

The Group has applied the following new and amendments to HKFRS Accounting Standards issued by the HKICPA for the first time in the current year:

Amendments to HKAS 21	Lack of Exchangeability
Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosure about Uncertainties in the Financial Statements

None of these new or amendments to HKFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period but affect the disclosure of accounting policies of the Group. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

3.2 New standards, interpretations and amendments that have been issued but are not yet effective

The following amendments to HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

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

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ No mandatory effective date yet determined but available for adoption.

The Group is currently assessing the impact of the amendments. The Group does not expect the amendments that are issued but yet to be effective to have a material impact to the Group.

4. REVENUE

(i) Disaggregation of revenue from contracts with customers

Segments — continuing operations	For the year ended 31 December 2025		
	Maintenance services <i>HK\$'000</i>	Sale of equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services			
Maintenance Services			
“Hot-in-place” Projects	99,792	–	99,792
Sale of equipment			
Standard series	–	11,616	11,616
Modular series	–	19,133	19,133
Parts for repair and maintenance	–	3,257	3,257
Total	99,792	34,006	133,798
Geographical markets			
Mainland China	99,792	30,655	130,447
Overseas	–	3,351	3,351
Total	99,792	34,006	133,798
Timing of revenue recognition			
A point in time	–	34,006	34,006
Over time	99,792	–	99,792
Total	99,792	34,006	133,798

Segments — continuing operations	For the year ended 31 December 2024		
	Maintenance services <i>HK\$'000</i>	Sale of equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services			
Maintenance Services			
“Hot-in-place” Projects	169,101	–	169,101
Sale of equipment			
Standard series	–	15,937	15,937
Parts for repair and maintenance	–	2,920	2,920
Total	169,101	18,857	187,958
Geographical markets			
Mainland China	169,101	16,030	185,131
Overseas	–	2,827	2,827
Total	169,101	18,857	187,958
Timing of revenue recognition			
A point in time	–	18,857	18,857
Over time	169,101	–	169,101
Total	169,101	18,857	187,958

(ii) Performance obligations for contracts with customers

Maintenance Services (with milestone payments)

The Group provides asphalt pavement maintenance (“APM”) services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these APM services based on the stage of completion of the contract using output method.

The Group’s APM services contracts include payment schedules which require stage payments over the APM services period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 10% to 30% of total contract sum, when the Group receives a deposit before APM services commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the APM services are performed represents the Group's right to consideration for the services performed because the rights are conditional on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional. The Group's typical timing of transferring the contract assets to trade receivables is ranging from three months to one year. Impairment losses are recognised on the same basis as trade receivables.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the APM services. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the APM services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. The Group accounts for this in accordance with HKAS 37 and has not accounted for as separate performance obligation and hence no consideration is allocated to them. The Group has not adjusted the transaction price for the existence of any financing component given the period between when the transfer of control of the services to customers and the payment date is one year or less and retention receivables are to protect the customer from the Group's failure to complete its obligation under the contract.

Sale of equipment (revenue recognised at one point in time)

For sale of equipment, revenue is recognised when control of the equipment was transferred, being at the point when the equipment has been shipped to the customer's specific location (delivery), being at the point that the customer obtains the control of the equipment and the Group has present right to payment and collection of the consideration is probable. After this point, the Group no longer has physical possession of the asset, whilst the customer has discretion over the manner of use, and bears the risk of obsolescence and loss in relation to the equipment. The normal credit term of the standard series equipment and parts for repairs and maintenance are 7 days upon delivery. The normal credit term of the modular series equipment is 6 months to 12 months upon delivery with upfront deposits range from 10% to 30%.

Sales-related warranties associated with equipment cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37 and has not accounted for as separate performance obligation and hence no consideration is allocated to them.

5. OPERATING SEGMENTS

HKFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors, the chief operating decision maker (the “CODM”), in order to allocate resources to the segments and to assess their performance. The Group’s operating and reportable segments are as follows:

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

Segment revenue and results

Continuing operations	Maintenance services <i>HK\$’000</i>	Sale of equipment <i>HK\$’000</i>	Properties <i>HK\$’000</i>	Consolidated total <i>HK\$’000</i>
For the year ended				
31 December 2025				
Segment revenue:				
Sales to external customers	99,792	34,006	—	133,798
Intersegment sales	—	11,806	—	11,806
	<u>99,792</u>	<u>45,812</u>	<u>—</u>	<u>145,604</u>
<i>Reconciliation</i>				
Elimination of intersegment sales	—	(11,806)	—	(11,806)
Revenue	<u>99,792</u>	<u>34,006</u>	<u>—</u>	<u>133,798</u>
Segment results	<u>(16,674)</u>	<u>(19,887)</u>	<u>(548)</u>	<u>(37,109)</u>
<i>Reconciliation:</i>				
Interest income				701
Foreign exchange gains, net				229
Change in fair value of financial assets at FVTPL				1,228
Finance costs				(3,343)
Unallocated corporate expenses				(16,769)
Share of profit or losses of joint ventures				(816)
Loss before income tax expense				<u>(55,879)</u>

	Maintenance services <i>HK\$'000</i>	Sale of equipment <i>HK\$'000</i>	Properties <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
For the year ended 31 December 2024				
Segment revenue:				
Sales to external customers	169,101	18,857	–	187,958
Intersegment sales	–	38,710	–	38,710
	<u>169,101</u>	<u>57,567</u>	<u>–</u>	<u>226,668</u>
<i>Reconciliation</i>				
Elimination of intersegment sales	–	(38,710)	–	(38,710)
Revenue	<u>169,101</u>	<u>18,857</u>	<u>–</u>	<u>187,958</u>
Segment results	<u>60,827</u>	<u>(21,524)</u>	<u>3,335</u>	42,638
<i>Reconciliation:</i>				
Interest income				1,272
Foreign exchange losses, net				(416)
Change in fair value of financial assets at FVTPL				1,549
Finance costs				(3,698)
Unallocated corporate expenses				(31,382)
Share of profit or losses of joint ventures				<u>14</u>
Profit before income tax expense				<u><u>9,977</u></u>

Intersegment sales are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The accounting policies of the operating and reportable segments information are the same as the Group's accounting policies. Segment results represent the profit earned or loss incurred by each segment without allocation of head office and corporate expenses, interest income, exchange gains and losses, change in fair value of financial assets at FVTPL, share of profits or losses of joint ventures and finance costs. This is the measure reported to CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Maintenance services <i>HK\$'000</i>	Sale of equipment <i>HK\$'000</i>	Properties <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
As at 31 December 2025				
Segment assets	<u>448,511</u>	<u>375,948</u>	<u>345,709</u>	1,170,168
Elimination of intersegment receivables				(403,008)
Bank balances and cash				194,859
Interests in joint ventures				6,045
Other unallocated assets				<u>(17,500)</u>
Total assets				<u>950,564</u>
Segment liabilities	<u>217,032</u>	<u>50,644</u>	<u>288,334</u>	556,010
Elimination of intersegment payables				(403,008)
Bank borrowings				108,342
Other unallocated liabilities				<u>22,722</u>
Total liabilities				<u>284,066</u>

	Maintenance services <i>HK\$'000</i>	Sale of equipment <i>HK\$'000</i>	Properties <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
As at 31 December 2024				
Segment assets	<u>385,969</u>	<u>349,121</u>	<u>284,082</u>	1,019,172
Elimination of intersegment receivables				(344,494)
Bank balances and cash				279,258
Interests in joint ventures				6,543
Other unallocated assets				<u>22,813</u>
Total assets				<u>983,292</u>
Segment liabilities	<u>185,000</u>	<u>65,217</u>	<u>227,708</u>	477,925
Elimination of intersegment payables				(344,494)
Bank borrowings				117,506
Other unallocated liabilities				<u>23,589</u>
Total liabilities				<u>274,526</u>

Other segment information (included in the measure of segment results and segment assets)

Continuing operations	Maintenance services <i>HK\$'000</i>	Sale of equipment <i>HK\$'000</i>	Properties <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
For the year ended 31 December 2025				
Provision for impairment losses recognised in respect of trade receivables, contract assets and other receivables	6,404	606	78	7,088
Depreciation and amortisation	14,295	4,995	–	19,290
Capital expenditure (<i>Note</i>)	<u>4,695</u>	<u>1,462</u>	<u>26,947</u>	<u>33,104</u>

	Maintenance services <i>HK\$'000</i>	Sale of equipment <i>HK\$'000</i>	Properties <i>HK\$'000</i>	Consolidated total <i>HK\$'000</i>
For the year ended 31 December 2024				
(Reversal of)/provision for impairment losses recognised in respect of trade receivables, contract assets and other receivables	(5,213)	217	(78)	(5,074)
Depreciation and amortisation	16,791	2,056	–	18,847
Capital expenditure (<i>Note</i>)	<u>19,552</u>	<u>383</u>	<u>3,876</u>	<u>23,811</u>

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

For the purposes of assessing segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than pledged bank deposits, and bank balances and cash, interests in joint ventures, equity instruments at FVTOCI, financial assets at FVTPL and other unallocated head office and corporate assets as these assets are managed on a group basis; and
- all liabilities are allocated to operating segments other than deferred tax liabilities, bank borrowings, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the year ended 31 December 2024, revenue from a customer accounted for 10% or more of the Group's revenue from continuing operations and its revenue amounted to approximately HK\$28,980,000. The sales to the above customer were derived from the provision of road maintenance services.

During the year ended 31 December 2025, revenue from two customers accounted for 10% or more of the Group's revenue from continuing operations and their revenue amounted to approximately HK\$15,059,000 from the provision of road maintenance services and HK\$19,113,000 from the sales of equipment, respectively.

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.

6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Government grants (<i>Note</i>)	653	329
Interest income	701	1,272
Others	3,917	4,283
	<u>5,271</u>	<u>5,884</u>

Note: The government grants mainly represent unconditional subsidies from the 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.

7. OTHER GAINS AND LOSSES, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Net gains on disposal of property, plant and equipment	5,642	1,772
Foreign exchange gains/(losses), net	229	(416)
Change in fair value of financial assets at FVTPL	1,228	1,549
Change in fair value of investment property	–	4,183
Others	(14)	(22)
	<u>7,085</u>	<u>7,066</u>

8. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
Interest on:		
— Bank borrowings	3,190	3,637
— Lease liabilities	153	61
	<u>3,343</u>	<u>3,698</u>

9. (PROVISION FOR)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL AND CONTRACT ASSETS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
(Provision for)/reversal of impairment losses on financial and contract assets recognised on:		
— Trade receivables	(2,565)	7,800
— Contract assets	(6,138)	(1,845)
— Other receivables	1,615	(881)
	<u>(7,088)</u>	<u>5,074</u>

10. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Continuing operations		
(Loss)/profit before income tax expense has been arrived at after charging/(crediting):		
Directors' emoluments	6,417	6,574
Other staff costs	36,804	29,898
Other staff retirement benefit scheme contributions	5,080	6,144
	<u>48,301</u>	<u>42,616</u>
Amortisation of other intangible assets	254	557
Auditor's remuneration	1,600	1,910
Cost of inventories sold	20,280	7,491
Cost of services provided	70,846	90,499
Net gains on disposal of property, plant and equipment	(5,642)	(1,772)
Depreciation charge:		
— Owned property, plant and equipment	16,303	16,434
— Right-of-use assets included within:		
— Leasehold land	264	263
— Buildings	2,469	1,593
Interest on lease liabilities	153	61
Short-term lease expenses	2,148	2,749
	<u>2,148</u>	<u>2,749</u>

11. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
The charge comprises:		
PRC Enterprise Income Tax ("EIT"):		
— Current year (credit)/expense	(312)	5,475
— Under provision in prior years	571	—
	<u>259</u>	<u>5,475</u>
Deferred tax expense/(credit)	<u>200</u>	<u>(266)</u>
	<u><u>459</u></u>	<u><u>5,209</u></u>

No provision for Hong Kong Profit Tax has been made since there is no tax assessable profit for the years ended 31 December 2025 and 2024.

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.

Withholding tax of approximately HK\$200,000 (2024: HK\$1,321,000) has been provided for the year ended 31 December 2025 with reference to the anticipated dividends to be distributed by the PRC entities to non-PRC tax residents.

12. DIVIDENDS

No final dividend and interim dividend were proposed by the directors for the years ended 31 December 2025 and 2024.

13. (LOSS)/EARNINGS PER SHARE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Number of shares:		
Weighted average number of ordinary shares in issue less shares held under the share award scheme during the year for the purpose of calculating basic and diluted (loss)/earnings per share	<u>1,162,276,611</u>	<u>999,509,152</u>
Continuing operations		
(Loss)/earnings:		
(Loss)/profit for the purposes of calculating basic and diluted (loss)/earnings per share		
— attributable to owners of the Company	<u>(55,814)</u>	<u>5,273</u>
A Discontinued operation		
(Loss)/earnings:		
(Loss)/profit for the purposes of calculating basic and diluted (loss)/earnings per share		
— attributable to owners of the Company	<u>—</u>	<u>7,284</u>

Diluted (loss)/earnings per share were the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2025 and 2024.

14. BILLS AND TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	342,959	301,897
Less: Allowance for credit losses	<u>(232,190)</u>	<u>(217,249)</u>
	<u>110,769</u>	<u>84,648</u>
Bills receivable	<u>—</u>	<u>8</u>
	<u>110,769</u>	<u>84,656</u>

As at 31 December 2025 and 2024, trade receivables from contracts with customers amounted to approximately HK\$110,769,000 and HK\$84,648,000 respectively.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 180 days	<u>—</u>	<u>8</u>

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 credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	21,143	9,342
3 to 12 months	23,352	22,371
1 to 2 years	24,062	24,216
Over 2 years	42,212	28,719
	110,769	84,648

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$110,769,000 (2024: HK\$81,526,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$69,256,000 (2024: HK\$63,198,000) has been past due for 90 days or more and is not considered as in default as most of the Group's customers are government agencies and the risk of default is not high.

At 31 December 2025, included in the trade receivables are amounts due from the Group's related parties of approximately HK\$436,000 (2024: HK\$2,370,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other receivables	37,872	38,705
Less: Allowance for credit losses	(30,557)	(30,963)
	7,315	7,742
Prepayments and deposits	24,604	21,696
Other tax recoverable	3,867	3,173
	35,786	32,611

At 31 December 2025, included in the Group's prepayments, deposits and other receivables are amounts due from related companies of approximately HK\$3,066,000 (2024: HK\$467,000), which are unsecured, interest-free and have no fixed terms of repayment.

16. BILLS, TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bills payables	3,608	5,698
Trade payables	53,147	55,267
Other tax payables	18,496	20,817
Other payables and accrued charges	73,658	53,999
	<u>148,909</u>	<u>135,781</u>

At 31 December 2025, included in the Group's trade payables are amounts due to related parties of approximately HK\$9,765,000 (2024: HK\$160,000) which is repayable within 90 days, which represents credit terms similar to those offered by related parties to their major customers.

At 31 December 2025, included in the Group's other payables and accrued charges is an amount due to a non-controlling shareholder of approximately HK\$Nil (2024: HK\$24,000,000, which is unsecured, interest-free and has no fixed terms of repayment).

The Group normally receives credit terms of 30 days to 180 days (2024: 30 days to 180 days) from its suppliers. The following is an aging analysis of trade payables at the end of the reporting period, presented based on the invoice date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	29,998	26,345
3 to 12 months	9,781	16,003
1 to 2 years	187	2,272
Over 2 years	13,181	10,647
	<u>53,147</u>	<u>55,267</u>

17. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>10,000,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>1,079,000,000</u>	<u>107,900</u>

18. DISCONTINUED OPERATION

On 22 November 2024, the Group entered into a share purchase agreement with Tianjin Expressway Group Co., Limited* (天津高速公路集團有限公司) to dispose of its subsidiary, for a cash consideration of RMB71,099,000 (equivalent to HK\$76,112,000), Tianjin Expressway Maintenance Company Limited* (天津市高速公路養護有限公司) (“Tianjin Expressway Maintenance”). The disposal was completed on 31 December 2024, on which date control of Tianjin Expressway Maintenance was passed to the acquirer. The directors consider that the disposal will allow the Group to have more flexibility in management and resources allocation for the development of its APM Services through “Hot-in-Place” projects. Tianjin Expressway Maintenance has been classified as a discontinued operation and is no longer included in the note 5 on operating segment information in the Group’s consolidated financial statements since the year ended 31 December 2024.

The net assets of Tianjin Expressway Maintenance at the date of disposal were as follows:

	<i>HK\$’000</i>
Property, plant and equipment	21,471
Right-of-use assets	5,673
Other intangible assets	59
Inventories	6,970
Bills and trade receivables	4,135
Contract assets	343,389
Prepayments, deposits and other receivables	4,815
Restricted bank deposits	1,997
Bank balances and cash	26,083
Bills, trade and other payables	(310,628)
Taxation payable	(912)
Lease liabilities (current)	(794)
Lease liabilities (non-current)	(835)
	<hr/>
Net assets disposed of	<u>101,423</u>

* *For identification purpose only*

The table below details the reconciliation of the gain on disposal and net cash proceeds received on 31 December 2024:

	<i>HK\$'000</i>
Gain on disposal of Tianjin Expressway Maintenance:	
Cash consideration received	76,112
Less: net assets disposed of	(101,423)
Less: goodwill	(6,150)
Add: non-controlling interests	45,631
	<u>14,170</u>
	2024
	<i>HK\$'000</i>
Net cash inflow arising from disposal:	
Consideration received	76,112
Cash and cash equivalents disposed of	(26,083)
	<u>50,029</u>
	2024
	<i>HK\$'000</i>
Profit from a discontinued operation (net of tax):	
Profit of Tianjin Expressway Maintenance for the year	4,997
Gain on disposal of Tianjin Expressway Maintenance	14,170
Withholding tax on disposal	(2,635)
	<u>16,532</u>

19. CAPITAL COMMITMENTS

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted, but not provided for in respect of the acquisition of property, plant and equipment	<u>950</u>	<u>2,470</u>
Contracted, but not provided for in respect of the acquisition of leasehold land	<u>14,521</u>	<u>13,896</u>
Contracted, but not provided for in respect of construction contract	<u>257,356</u>	<u>292,667</u>

BUSINESS REVIEW

China's economy in 2025 recorded gross domestic product (GDP) growth of 5%, meeting the central government's annual target despite persistent domestic demand weakness and external uncertainty. The China's economy will continue to adhere to the new development pattern of "dual cycle", driving industrial upgrading with technological innovation while deepening green and low-carbon transformation. According to the "14th Five-Year Plan for the Development of Modern Comprehensive Transportation System" (「十四五」現代綜合交通運輸體系發展規劃) and the "Program of Building National Strength in Transportation" (交通強國建設綱要), the scale of China's road maintenance market is expected to exceed RMB500 billion in the next five years, of which preventive maintenance will account for more than 40%, and the application rate of intelligent maintenance technology will reach 35%. However, at the macro level, China's total social financing growth has been slowing and regulators are tightening control over local government hidden debt, which restricts easy borrowing for traditional infrastructure, including road maintenance backlogs. Therefore, the total service area of the "Hot-in-Place" project under the asphalt pavement maintenance ("APM") services sector of the Group recorded decrease during the year under review and resulted its gross profit margin recorded a decrease due to the funds for some of the "Hot-in-Place" projects have not yet been confirmed in 2025 and decrease in the selling price of the Group's "Hot-in-Place" projects. The APM equipment segment of the Group recorded increase in revenue during the year under review due to the net effect of decrease in the revenue of the standard series due to the limited capital investment by the local government and the successful of selling a set of modular series equipment. During the year under review, the Group also recorded provision for impairment losses on financial and contract assets.

In 2025, the Group's revenue from the continuing operations was approximately HK\$133.8 million, representing a decrease of approximately 28.8% as compared to 2024. The loss attributable to owners of the Company from the continuing operations amounted to approximately HK\$55.8 million in 2025 as compared with the profit attributable to owners of the Company from the continuing operations of approximately HK\$5.3 million in 2024. The results of the Group was mainly due to the net effect of: (i) decrease in the revenue of APM service segment; (ii) increase in the revenue of APM equipment segment; (iii) the recognition of provision for impairment losses on financial and contract assets; and (iv) the increase in administrative expenses. As at 31 December 2025, the Group maintained a healthy financial position as it had cash on hand in the sum of approximately HK\$208.0 million.

Asphalt Pavement Maintenance Services — Non-“Hot-in-Place” Projects

Due to the completion of the disposal of the shareholding in Tianjin Expressway Maintenance Company Limited* (天津市高速公路養護有限公司) (a non-wholly owned subsidiary of the Group) (“Tianjin Expressway Maintenance”) took place on 31 December 2024, the Group discontinued the result of this segment in 2024 in accordance with the applicable accounting standards. Please see to the note 18 of this announcement for details. For avoidance of doubt, the Group will continue to engage in APM Services (including both “Hot-in-Place” and non-“Hot-in-Place” projects) in the PRC (including the Tianjin area) mainly through its other wholly-owned subsidiaries but will focus on development of the APM Services through “Hot-in-Place” projects with a higher gross-profit margin.

Asphalt Pavement Maintenance Services — “Hot-in-Place” Projects

Revenue for this segment decreased in the year of 2025 compared to 2024 due to the total service area of the Group’s “Hot-in-Place” projects as the funds for these projects have not yet been confirmed in 2025 and decrease in the selling price of the Group’s “Hot-in-Place” projects. The gross profit margin of this segment decreased due to the decrease in the total service area resulted a higher cost per square meter as the requirement of incurring some fixed cost and the decrease in the selling price.

The Group has continued to be a leading integrated solution provided using “Hot-in-Place” recycling technology in the APM industry in the PRC.

APM Equipment

During the year under review, our revenue for the APM equipment segment for 2025 increased by 80.3% as compared to the corresponding period for 2024. This was mainly due to the net effect of decrease in the revenue of the standard series due to the limited capital investment by the local government and the successful of selling a set of modular series equipment. Due to the revenue during the year under review includes lower gross profit margin model, the gross profit margin for APM equipment decreased from 60.3% in 2024 to 40.4% in 2025.

* For identification purposes only

Research and Development

To maintain our leading position in the use of “Hot-in-Place” recycling technology in the APM industry, the Group continued to invest in technological innovation.

New Patents

The Group continued to pay efforts and invest significant resources in our research and development. As of 31 December 2025, we had registered 266 patents (2024: 256), of which 40 were invention patents (2024: 37), 196 were utility model patents (2024: 189) and 30 were design patents (2024: 30), and we had 17 pending patent applications, of which 14 are invention patents and 3 are utility model patents (2024: 17 pending patent applications, of which 14 are invention patents and 3 are utility model patents).

During the period under review, facing to the abnormal climate challenge causing severe flooding, the Group enriched the product range of flooding control vehicles by different pumping capacities and automated hose reel robots in order to minimize labor requirement.

The Group also extend the research and development 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, provides customised solutions to its clients and maintains its competitive edges and leading status in the APM industry by using the recycling technology.

OUTLOOK

The China road maintenance market is projected to expand from USD250.7 billion in 2025 to USD427.3 billion by 2033, at a CAGR of 6.8%, fueled by advanced technologies and infrastructure demands. The market for road construction maintenance in China is poised for substantial expansion, fueled by ongoing government projects and private sector investments. The increasing need for sustainable, durable, and cost-effective maintenance solutions aligns with China's broader economic and environmental goals. Companies that focus on innovative technologies and comprehensive service delivery are well-positioned to benefit from this growth trajectory. Additionally, rising urbanization and the expansion of transportation corridors further augment market opportunities, making it a highly attractive sector for stakeholders seeking long-term growth prospects. Moreover, eco-friendly materials and sustainable construction practices are gaining traction, aligning with China's environmental commitments. The integration of automation and robotics in maintenance tasks reduces labor costs and enhances safety standards. As technology continues to evolve, companies that invest in digital transformation and innovative solutions will be better equipped to meet the increasing demands for durable, cost-effective, and environmentally responsible maintenance services in China. With our patent "Hot-in-Place" recycling technology and other new products, the Group will benefit from the increasing demand for APM and the favourable environment in the PRC, especially those using the recycling technologies.

Firstly, as at 31 December 2024, 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 has developed part of the South China market which enables the Group to perform APM services during slack season. Third, 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. Fourth, as the border restrictions between Hong Kong, China and other countries had been lifted, 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 these, 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 developed new product in road industry;
4. it will continue to invest on its testing and planning department by devoting more equipment and staff 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;
6. it will leverage on its state-owned partners’ overseas channels to expand the international APM equipment and services market;
7. it will focus on the cities with stable and strong financial capability.

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 had commenced in first quarter of 2022. The investment property does 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. It is expected that the Construction will complete in the first quarter of 2027.

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”).

FINANCIAL PERFORMANCE REVIEW

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

The following table is a description of the Group’s operating activities during the year under review, with comparisons to those of 2024.

REVENUE

a. APM Services

	Year ended 31 December				
	2025		2024		Decrease
	Area serviced	Area serviced	Area serviced	Area serviced	
(square meters '000)	(square meters '000)	(square meters '000)	(square meters '000)		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Revenue (net of VAT)					
“Hot-in-Place” Projects	<u>99,792</u>	<u>2,160</u>	<u>169,101</u>	3,833	(41.0)%

	Year ended 31 December				
	2025		2024		Decrease
	Margin	Margin	Margin	Margin	
(%)	(%)	(%)	(%)		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Gross profit					
“Hot-in-Place” Projects	<u>28,946</u>	<u>29.0%</u>	<u>78,602</u>	46.5%	(63.2)%

Revenue for this segment decreased in the year of 2025 compared to 2024 due to the effect of the decline in the total service area of the Group’s “Hot-in-Place” projects as the funds for these projects have not yet been confirmed in 2025 and decrease in the selling price of the Group’s “Hot-in-Place” projects. The gross profit margin of this segment decreased from 46.5% in 2024 to 29.0% in 2025 due to the decrease in the total service area resulted a higher cost per square meter as the requirement of incurring some fixed cost and the decrease in the selling price.

b. APM Equipment

	Year ended 31 December				
	2025		2024		(Decrease)/ increase
	HK\$'000	units/sets	HK\$'000	units/sets	
Revenue (net of VAT)					
Standard series	11,616	8	15,937	13	(27.1%)
Modular series	19,133	–	–	–	N/A
Repair and maintenance	3,257	N/A	2,920	N/A	11.5%
Total	<u>34,006</u>		<u>18,857</u>		80.3%

	Year ended 31 December				
	2025		2024		(Decrease)/ increase
	HK\$'000	Margin	HK\$'000	Margin	
Gross profit					
Standard series	3,306	28.5%	9,490	59.5%	(65.2%)
Modular series	8,223	43.0%	–	–%	N/A
Repair and maintenance	2,197	67.5%	1,876	64.2%	17.1%
Total	<u>13,726</u>	<u>40.4%</u>	<u>11,366</u>	60.3%	20.8%

Revenue for the APM equipment segment for 2025 increased by 80.3% as compared to the corresponding period for 2024. This was mainly due to the net effect of decrease in the revenue of the standard series due to the limited capital investment by the local government and the successful of selling a set of modular series equipment. Due to the revenue during the year under review includes lower gross profit margin model, the gross profit margin for APM equipment decreased from 60.3% in 2024 to 40.4% in 2025.

OTHER INCOME

Other income from continuing operations for the year under review decreased by approximately HK\$0.6 million, from approximately HK\$5.9 million in 2024 to approximately HK\$5.3 million in 2025 primarily due to the decrease in penalty income received from the overdue trade receivables balance and bank interest income.

(PROVISION FOR)/REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL AND CONTRACT ASSETS

The recognition of provision for impairment losses on financial and contract assets from continuing operations of approximately HK\$7.1 million was primarily due to the more long aged of trade receivables and contract assets had been recognised expected credit loss allowance.

SELLING AND DISTRIBUTION COSTS

Selling and distribution costs from continuing operations for the year under review decreased by approximately HK\$3.2 million, from approximately HK\$16.7 million in 2024 to approximately HK\$13.5 million in 2025 due to the decrease in warranty expense (decrease in the revenue of the standard series equipment in recent years).

ADMINISTRATIVE EXPENSES

Administrative expenses from continuing operations increased by approximately 8.7%, or approximately HK\$5.5 million, from approximately HK\$63.1 million in 2024 to approximately HK\$68.6 million in 2025, primarily due to the more travelling and entertainment expenses were incurred in 2025.

RESEARCH COSTS

Research costs from continuing operations increased by approximately 20.8%, or approximately HK\$3.0 million, from approximately HK\$14.4 million in 2024 to approximately HK\$17.4 million in 2025, primarily due to more cost to incurred in the upgrading and diversification of the product range of the Group in road industry.

SHARE OF PROFITS OR LOSSES OF JOINT VENTURES

The Group's share of loss from joint ventures of approximately HK\$0.8 million in 2025 primarily due to the business of the joint ventures was affected by the funds for the "Hot-in-Place" projects have not yet been confirmed in 2025.

FINANCE COSTS

Finance costs from continuing operations decreased by approximately HK\$0.4 million, from approximately HK\$3.7 million in 2024 to approximately HK\$3.3 million in 2025 primarily due to the decrease in the bank borrowings balances and interest rate.

INCOME TAX EXPENSE

Income tax expense from continuing operations decreased by approximately HK\$4.7 million, from approximately HK\$5.2 million in 2024 to approximately HK\$0.5 million in 2025 due to the decrease in the profit before tax of the PRC's subsidiary.

DISCONTINUED OPERATION

The results of Tianjin Expressway Maintenance were classified as discontinued operation upon deconsolidation and presented as a single line item in the consolidated statement of profit or loss for 2024. Net profit from discontinued operation for 2024 amounted to HK\$16.5 million. Details of results of the discontinued operation are set out in note 18 of this announcement.

LOSS

Loss attributable to owners of the Company from the continuing operation amounted to approximately HK\$55.8 million in 2025 compared with the profit attributable to owners of the Company from the continuing operation amounted to approximately HK\$5.3 million in 2024, primarily due to the net effect of (i) the decrease in the revenue of the APM service segment; (ii) the increase in the revenue of APM equipment segment; (iii) the recognition of provision for impairment losses on financial and contract assets; and (iv) the increase in administrative expenses.

FINANCIAL POSITION

As at 31 December 2025, the total equity of the Group amounted to approximately HK\$666.5 million (2024: HK\$708.8 million). Decrease in the total equity of the Group was due to the net effect of (i) the loss attributable to owners of the Company from the continuing operation for the year ended 31 December 2025; (ii) the changes in foreign currency translation reserve as a 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's net current assets as at 31 December 2025 amounted to approximately HK\$411.7 million (2024: HK\$474.2 million). The current ratio, which is the amount of the current assets divided by the amount of the current liabilities as at 31 December 2025, was 2.6 (31 December 2024: 2.8). The decrease in the net current assets and the current ratio was mainly due to the net decrease in cash and cash equivalents in 2025.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2025, the Group's bank balances and cash, pledged bank deposits and financial assets at FVTPL amounted to approximately HK\$208.0 million (2024: HK\$293.8 million). The decrease was primarily due to the effect of (1) net cash flows used in operating activities, (2) payment for construction of investment property, (3) repayment of amount due to a non-controlling shareholder, and (4) decrease in bank borrowings. As at 31 December 2025, the bank borrowings of the Group amounted to HK\$108.3 million (2024: HK\$117.5 million). As at 31 December 2024 and 2025, the Group was in a net cash position.

Due to the net effect of the decrease in revenue in 2025 and most of the Group's APM services projects were due in first half of 2026, the gross amount of trade receivables and contract assets balances increased from HK\$475.2 million as at 31 December 2024 to HK\$487.9 million as at 31 December 2025. 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 not yet past due as at 31 December 2025. As at the latest practicable date, third party customers had settled trade receivables amounting to approximately HK\$57.6 million (RMB50.7 million).

Though the Group does not have any collateral over most of the receivables, the management considers that there is no recoverability problem as the remaining amounts are due from the local PRC government authorities. The Group has credit policy and internal control procedures in place to review and collect the outstanding trade receivables of the Group. In order to minimise the risk of placing heavy reliance on obtaining project from the local PRC government and to further diversify the overall credit risk, the Group will widen its customer base. For those customers whose credit terms are extended by the Group, the Group has policies in place to evaluate the credit risk for these customers, taking into account of its repayment ability and long-term relationship with the Group.

As at 31 December 2025, the Group's liquidity position remained strong and the management of the Company believes that this will enable the Group to expand in accordance with their plans. 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.

INTEREST-BEARING BANK BORROWINGS

As at 31 December 2025, the Group had total debt of HK\$108.3 million (2024: HK\$117.5 million), which was comprised of guaranteed interest-bearing bank borrowings of HK\$97.2 million (2024: HK\$86.1 million) and unguaranteed interest-bearing bank borrowings of HK\$11.1 million (2024: HK\$31.4 million).

As at 31 December 2025, bank balance of approximately HK\$5.3 million (2024: HK\$14.5 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 2024 and 2025 were repayable within one year or on demand.

INVESTMENT PROPERTY

As at 31 December 2025, the Group's investment property was measured using the fair value model and was approximately HK\$178.4 million (as at 31 December 2024: HK\$144.3 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 (中國南京市建鄴區江心洲). 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. It was expected that the completion date of the construction will be in or around the first quarter of 2027. 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.

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 (the “Change in Use of Proceeds Announcement”) and clarification announcement of the Company dated 28 November 2023 (the “Clarification Announcement”).

These net proceeds were applied in the year ended 31 December 2025 in the manner as stated in the prospectus of the Company dated 14 June 2013, the Change in Use of Proceeds Announcement and the Clarification Announcement, as follows:

	<i>HK\$ million</i>	Net proceeds utilised during the year <i>HK\$ million</i>	Net proceeds utilised up to 31 December 2025 <i>HK\$ million</i>
Investment in research and development activities	167.4	12.8	167.4
Establishing joint ventures and expanding APM service teams	99.9	–	99.9
Manufacturing APM equipment and expanding our APM service teams	103.1	–	103.1
Acquisitions of other APM service providers	60.8	–	60.8
Constructing new production facility	83.4	6.4	83.4
Establishing sales offices in new markets and marketing expenses	68.7	–	68.7
General corporate purposes and working capital requirements	103.7	16.5	103.7
	<u>687.0</u>	<u>35.7</u>	<u>687.0</u>

As at 31 December 2025, the proceeds have been fully utilized.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the year under review, there were no other significant investments held, nor were there any material acquisitions or disposals of any subsidiaries, associates or joint ventures. There was no concrete plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group's capital commitments as at 31 December 2025 are set out in note 19 of this announcement. As at 31 December 2025, the Group did not have any material contingent liabilities.

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 balances with a floating interest rate. As at 31 December 2025, all of the Group's bank borrowings are at fixed interest rate (2024: all 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 RMB and most of its expenditures as well as capital expenditures are also denominated in RMB. The Group's exposure to foreign currency risk arises mainly from certain bank deposits denominated in foreign currency of the relevant group entities. As at 31 December 2025, certain pledged bank deposits and bank balances and cash of approximately HK\$181,438,000 (2024: HK\$286,044,000) are denominated in RMB, the remaining balances are mainly denominated in Hong Kong dollars. As at 31 December 2025, the Group's bank borrowings denominated in RMB amounted to approximately HK\$108,342,000 (equivalent to RMB97,500,000) (2024: HK\$117,506,000 (equivalent to RMB110,500,000)). The Group has not hedged its foreign currency risk. The changes in foreign currency translation reserve during the year under review 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.

EMPLOYEES AND REMUNERATION

As at 31 December 2025, the Group had a total of 283 full time employees (2024: 295). 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 has adopted a share award scheme and a share option scheme under which shares of the Company may be awarded/granted to the selected employees (including executive directors of the Company) as incentives to retain them for the continual operation and development of the Group.

CORPORATE GOVERNANCE CODE

The Board is committed to achieve high standards of corporate governance to safeguard the interests of the Company's shareholders and to enhance corporate value and accountability by further expand into the APM business. 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31 December 2025, except code provisions C.2.1 and D.2.1 as more particularly described below.

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate 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 Wai Pan ("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 organization, the Board will consider splitting the two roles to be assumed by two individuals. With the strong business experience of the directors, they do not expect any issues would arise due to the combined role 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 are adequate balance-of-power safeguards in place to enable the Company to make and implement decisions promptly and effectively.

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 and Prof. Lai Kin Keung, (including one independent non-executive director with the appropriate professional qualifications).

The audit committee of the Company has reviewed the Group's consolidated financial statements for the year ended 31 December 2025.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this annual results announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the annual results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Specific enquiries have been made of all the directors of the Company and the directors have confirmed that they have complied with the Model Code throughout the year.

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 "Employee Written Guidelines").

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

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 (as defined under the Listing Rules)) during the year under review. As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

DIVIDEND

Directors of the Company did not recommend the payment of interim dividend for the six months ended 30 June 2025.

Taking into the factors set out in the Company's dividend policy, the directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2025. As at the date of this announcement, there was no arrangement with any Shareholder of the Company under which he/she/it has waived or agreed to waive any dividends.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.freetech-holdings.hk.

The 2025 report of the Company will be despatched to the shareholders of the Company and published on the above websites in due course.

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board also announces that with effect from 30 March 2026, (i) Ms. Yeung Sum has been appointed as a member of the nomination committee of the Company (the "Nomination Committee"); and (ii) Prof. Lai Kin Keung has resigned as a member of the Nomination Committee. Following these changes, the Nomination Committee comprises Mr. Sze Wai Pan, as chairman, Ms. Yeung Sum and Prof. Lau Chi Pang, J.P., as members.

APPRECIATION

The Chairman of the Company wishes to express his sincere gratitude to the management and staff members of the Group for their dedication and hard work during the year under review. He would like to extend thanks to all the business partners, customers and shareholders of the Company for their support. He believes that they will continue to render support to the Group for our continuous growth and success in the future.

By order of the Board
Freetech Road Recycling Technology (Holdings) Limited
Sze Wai Pan
Chairman and Chief Executive Officer

Hong Kong, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Sze Wai Pan and Mr. Chan Kai King; the non-executive Directors are Ms. Sze Wan Nga, Mr. Zhou Jichang, Prof. Tong Wai Cheung Timothy and Dr. Chan Yan Chong; and the independent non-executive Directors are Ms. Yeung Sum, Prof. Lau Chi Pang and Prof. Lai Kin Keung.