

# To Give Positive Environmental Impact

## INTERIM REPORT 2024

Incorporated in the Cayman Islands with limited liability

Stock Code: 8391



# CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “Directors”, each a “Director”) of Cornerstone Technologies Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

# CONTENTS

	<i>Page</i>
<b>Corporate Information</b>	<b>3</b>
<b>Management Discussion and Analysis</b>	<b>5</b>
<b>Other Information</b>	<b>17</b>
<b>Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>34</b>
<b>Condensed Consolidated Statement of Financial Position</b>	<b>36</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>38</b>
<b>Condensed Consolidated Statement of Cash Flows</b>	<b>40</b>
<b>Notes to the Condensed Consolidated Financial Statements</b>	<b>41</b>

# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. Liang Zihao (*Co-Chairman*)  
Mr. Li Man Keung Edwin  
(*Vice Chairman*)  
Mr. Yip Shiu Hong (*Chief Executive  
Officer*)  
Mr. Sam Weng Wa Michael  
Mr. Pan Wenyuan  
Ms. Wu Yanyan

## NON-EXECUTIVE DIRECTOR

Mr. Wu Jianwei (*Co-Chairman*)

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tam Ka Hei Raymond  
Mr. Yuen Chun Fai  
Ms. Zhu Xiaohui  
Mr. Ko Shu Ki Kenneth

## COMPLIANCE OFFICER

Mr. Liang Zihao

## AUTHORISED REPRESENTATIVES

Mr. Liang Zihao  
Mr. Chu Pui Ki Dickson

## AUDIT COMMITTEE

Mr. Yuen Chun Fai (*Chairman*)  
Mr. Tam Ka Hei Raymond  
Ms. Zhu Xiaohui

## REMUNERATION COMMITTEE

Ms. Zhu Xiaohui (*Chairman*)  
Mr. Liang Zihao  
Mr. Tam Ka Hei Raymond  
Mr. Ko Shu Ki Kenneth

## NOMINATION COMMITTEE

Mr. Tam Ka Hei Raymond (*Chairman*)  
Mr. Liang Zihao  
Mr. Yuen Chun Fai  
Ms. Zhu Xiaohui

## COMPANY SECRETARY

Mr. Chu Pui Ki Dickson (*CPA*)

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office Units 1107-11, 11th Floor  
New East Ocean Centre  
No. 9 Science Museum Road  
Kowloon  
Hong Kong

## REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

**PRINCIPAL SHARE REGISTRAR AND  
TRANSFER AGENT**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

**STOCK CODE**

8391

**WEBSITE**

[www.cstl.com.hk](http://www.cstl.com.hk)

**HONG KONG BRANCH SHARE  
REGISTRAR AND TRANSFER OFFICE**

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

**AUDITOR**

D & PARTNERS CPA LIMITED  
*Certified Public Accountants*  
2201, 22/F., West Exchange Tower  
322 Des Voeux Road Central  
Sheung Wan  
Hong Kong

# Management Discussion and Analysis

## BUSINESS REVIEW

The first half of 2024 was a period filled with an ever-rising number of electric vehicle (“EV”) on the road, alongside Cornerstone’s expansion in Hong Kong and beyond to South East Asian countries. Aligned with previous trends, automakers’ constant investment in EV technology and the increase in variations of EV models has surged consumer demand for EVs, further propelling EV charging stations around the globe. Specifically in Hong Kong, 75% of first registered vehicles in the first six months of 2024 were electric. The government of Hong Kong continues to implement policies and protocols to aid in the growth of the EV industry, striving towards “Zero carbon emissions, Clean air, Smart city”. Above has allowed Cornerstone to expand operations in residential car parks and membership subscriptions through Cornerstone HOME and GO initiatives.

### Cornerstone HOME

Building on the momentum from 2023, we have continued to expand our presence in residential projects. The number of parking spaces under Cornerstone HOME increased significantly, covering 15,000 parking spaces across 42 residential car parks as at 30 June 2024. The number of HOME subscribers more than doubled, rising from 415 as at 30 June 2023 to 835 as at 30 June 2024. This expansion has been driven by our commitment to providing affordable and accessible EV charging solutions to a growing number of EV owners.

## **Cornerstone GO**

As at 30 June 2023, Cornerstone GO had 11,325 Go members and covered 30 parking facilities. As at 30 June 2024, the remarkable surge to 37,395 Go members and 97 covered parking facilities underlines the acceptance and success of the service. Earlier this year, Cornerstone secured operational rights from the Hong Kong Government for 27 EV charging stations, equipped with 827 AC chargers, close to all have been integrated into our Cornerstone GO network. This marked an impressive milestone as Cornerstone became the first private operator selected by the Hong Kong government for such services. The ability to cover 1,500 parking spaces across all 18 districts of Hong Kong further enhances convenience for users, abiding to Cornerstone's mission of making EV-charging accessible to all.

The government's efforts to promote the widespread adoption of EVs and supporting infrastructure continues, as the Hong Kong Roadmap on Popularization of Electric Vehicles also continues, outlining long-term policies and plans for EV services. Cornerstone continues to be Hong Kong's leading EV charging solutions provider, following an all-rounded business model.

## **Sales of Electric Vehicle Charging Systems**

During the period, Cornerstone has achieved significant milestones in the sales of electric vehicle charging systems. We have successfully expanded our client base to include key players across various sectors, demonstrating our versatility and the growing demand for our solutions. Notable clients now include local property developers, a major Chinese oil refinery and petrochemical producer, a leading bus company, as well as luxury vehicle distributors and retailers. These partnerships have not only strengthened our market presence but also solidified our reputation as a trusted provider of comprehensive EV charging solutions. In addition to securing these high-profile clients, we have also seen a marked increase in charging credit sales to car distributors. This growth is a testament to our strategic focus on building long-term relationships within the automotive sector, which has proven to be a crucial area of expansion for our company.

## **Provision of installation service income**

Cornerstone has made notable strides in the area of provision of installation service income. During the period, Cornerstone was awarded eight new EV-charging at Home Subsidy Scheme (“EHSS”) projects, with a total contract value of HK\$39.6 million. These projects highlight our commitment in advancing sustainability and safety standards within the residential projects of the EHSS we serve. As of the date of this report, Cornerstone has successfully secured a total of 23 EHSS projects, amounting to a combined contract value of HK\$116 million. This achievement underscores our leadership in delivering high-quality EHSS services, reinforcing our commitment to creating safer, more sustainable environments for our clients and their stakeholders.

## **Thailand Expansion**

Marking yet another key milestone, Cornerstone expanded EV charging services in Thailand in early 2024. Under the name of Spark EV Co. LTD, which has secured a landmark agreement with Bangchak Corporation Public Company Limited, one of the largest oil refinery companies in Thailand, allowing the Company to install, operate and maintain EV charging stations potentiality across 2,200 petrol stations in Thailand. This project, will feature ultrafast DC charging up to 600kW, making them among the fastest in the Thai market.

This venture marks Cornerstone's strong entry into the Thai market and positions the company as a leader in this space to support the region's growing demand for sustainable transportation solutions.

Cornerstone's development into the EV charging sector has been marked by substantial growth, strategic partnerships, and a commitment to technological advancement. The company's expansion into the Thai market and the integration of cutting-edge charging infrastructure highlights its position as a leader in sustainable mobility solutions. With a growing subscriber base and an expanding network of charging stations, Cornerstone is well-positioned for continued success in the evolving landscape of EV technology.

As a result of the noteworthy increase in each of the segments of the EV charging business, revenue more than doubled from HK\$25.5 million in 30 June 2023 to HK\$52.1 million in 30 June 2024.

## OUTLOOK

Cornerstone aims to solidify its position as a leading player in the EV charging industry by leveraging emerging opportunities. We are focused on optimizing our revenue generation models and expanding our market reach continuously striving to be a market leader.

The expansion into Thailand marks a landmark achievement for Cornerstone, as it is the first time that a Hong Kong-based EV charging company has entered the Thai market at such a large scale, and is strategically the best timing to do so, where the EV penetration is experiencing exponential growth. Cornerstone will bring its experience, technology and know-how to Thailand, which includes our proprietary backend system with proven management features, along with ultra-fast EV charging facilities, leveraging its expertise from operating a distinguished EV charging platform in Hong Kong. The target is to complete up to 150 stations by year end, accelerating the pace of construction to complete 1,000 stations in 18 to 24 months.

Demand for home charging is increasing rapidly, as Hong Kong drivers prefer to have the convenience of charging comfortably at home. As the largest home operator our group remains dedicated to enhancing the efficiency and convenience of residential charging solutions around the community. We strive to continue allocating EV charging services in residential car parks, allocating resources as appropriate. This will be achieved as we continue to forge key partnerships with property developers and Owners' Corporations in Hong Kong to expand on Cornerstone HOME. We intend to continue our leading position in the home charging market, and our targets is to grow the subscription base to 1,000 by year end.

Cornerstone GO remains central to our public charging strategy particularly as electric commercial vehicles become increasingly abundant. We are committed to growing the network of charging points to incentivise drivers to make the switch to go electric. As we continue to receive customer feedback, we actively fine-tune our platform to create a user-friendly environment. This allows our customers to seamlessly identify, reserve, and pay for EV charging whenever, and wherever, further earning loyalty credits that can be used across the wider EV ecosystem and we will continue to strengthen our leading position in this sector so that our Cornerstone app will be the go-to App for EV drivers in Hong Kong.

Within the broader EV system, our sales of EV charging systems has been rising. Our Group continues to strengthen partnerships with car distributors, ensuring the compatibility of chargers with EVs from all brands. We have also been identifying opportunities in new developments, leveraging Government-granted Gross Floor Area (GFA) concessions for parking spaces equipped with EV charging infrastructure. We are committed to innovation and sustainability, actively developing new technologies and exploring the carbon credit market. This positions us to potentially sell carbon credits, generating revenue while supporting global carbon reduction efforts. Our goal is to drive the growth of the green mobility sector, contributing to a more sustainable future through these initiatives.

Cornerstone is well-positioned to capitalize on the growing demand for EHSS services, thanks to our proven track record and the substantial projects we have secured to date. As more residential buildings seek to equip their parking facilities with EV charging-enabling infrastructure, we expect to see sustained growth in demand for our services. Leveraging our expertise and innovative approach, we aim to secure additional projects under EHSS, contributing to the broader goal of making EV charging more accessible and convenient for residents throughout Hong Kong. As regulatory pressures and public awareness around environmental sustainability intensify, the market for EHSS services is set to strengthen. Cornerstone is committed to staying at the forefront of this sector, driving advancements in EV charging infrastructure, and supporting the transition to a more sustainable future for all. The EHSS sector will remain a key area of focus as we continue to expand our capabilities and offerings to meet the growing needs of our clients.

Several regions across Asia are in the process of developing their EV charging infrastructure in response to the rise in EVs. These regions pose favourable policies that encourage citizens to adopt electric vehicles, raising potential for growth in these areas. Our Group is poised to capitalise on the rapid adoption of EV's in Asia, building upon our already established and successful ventures in Cambodia, Thailand, Malaysia, and Indonesia. We have positioned ourselves for continued expansion and increased geographical coverage in the years to come.

## FINANCIAL REVIEW

### Revenue

During the six months period ended 30 June 2024 (the "Period"), the Company and its subsidiaries (collectively the "Group") generated revenue from (i) provision of installation service income for installation of electric vehicle charging-enabling infrastructure; (ii) sales of electric vehicle charging systems to local and overseas customers; (iii) electric vehicle charging income; and (iv) income from maintenance and rental income.

The following table sets forth a breakdown of revenue by service categories for the Periods indicated.

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Continuing operations</b>		
Provision of installation service income	25,714	10,177
Sales of electric vehicle charging systems	15,889	13,265
– Local customers	12,924	11,397
– Overseas customers	2,965	1,868
Electric vehicle charging income	8,855	1,761
Maintenance income and rental income	1,622	328
<b>Total</b>	<b>52,080</b>	<b>25,531</b>

Total revenue increased by approximately HK\$26.6 million or 104.3%, from approximately HK\$25.5 million for the six months ended 30 June 2023 to approximately HK\$52.1 million for the Period. As illustrated in the table above, the increase in revenue was the result of significant increases from all service categories and was mainly driven by an increase in provision of installation service income of approximately HK\$15.5 million and EV Charging income of approximately HK\$7.1 million. Revenue derived from each of the service categories are analyzed as below:

### **Provision of installation service income**

Revenue from provision of installation service income increased by approximately 152.0%, from approximately HK\$10.2 million for the six months ended 30 June 2023 to approximately HK\$25.7 million for the Period. Such increase was primarily attributable to the increased number of projects awarded under EHSS.

### **Sales of electric vehicle charging systems**

Revenue from sales of electric vehicle charging systems increased by approximately 19.5%, from approximately HK\$13.3 million for the six months ended 30 June 2023 to approximately HK\$15.9 million for the Period. Such increase was mainly attributable to an increase in the number of customers and an increase in the sales orders for electric vehicle charging solutions to new and existing customers. During the Period, the major customers that the Company sold EV charging solutions to include local property developers, a Chinese oil refinery and petrochemical producer, bus company and distributors and retailers of luxury vehicles.

### **Electric vehicle charging income**

Revenue from electric vehicle charging income increased significantly by approximately 394.4%, from approximately HK\$1.8 million for the six months ended 30 June 2023 to approximately HK\$8.9 million for the Period. Such increase was primarily attributable to an increase in the number of users under its public membership and private subscription plans during the Period as compared to the six months ended 30 June 2023. During the Period, charging income generated from public memberships amounted to HK\$6.4 million and income generated from private subscriptions amounted to HK\$2.5 million.

## **Maintenance income and rental income**

Revenue from maintenance income and rental income increased by approximately 387.8%, from approximately HK\$328,000 for the six months ended 30 June 2023 to approximately HK\$1.6 million for the Period. Such increase was primarily attributable to the proportionate increase in the number of EV chargers installed by the Group and the fleet leasing revenue of approximately HK\$0.7 million during the Period.

## **Cost of services**

Our cost of services mainly comprises cost of raw materials, electricity and overheads. Cost of services increased by approximately 109.9%, from approximately HK\$21.3 million for the six months ended 30 June 2023 to approximately HK\$44.7 million for the Period. Such increase was generally in line with the increase in revenue during the Period.

## **Gross profit and gross profit margin**

The Group recorded a gross profit of approximately HK\$7.3 million (2023: approximately HK\$4.2 million) and a gross profit margin of approximately 14.1% for the Period including loss from discontinued operation (2023: approximately 16.5%). The decrease in gross profit margin was mainly due to an increase in revenue contribution from provision of installation service income, which relatively generates lower margins.

## **Other income**

Our other income mainly represents government subsidies, interest income and sundry income. Other income decreased from approximately HK\$298,000 for the six months ended 30 June 2023 to approximately HK\$93,000 for the Period, primarily attributable to subsidies from the Hong Kong Government that were only granted in 2023 and not in 2024.

## **Administrative and other operating expenses**

Our administrative and other operating expenses primarily comprise staff costs and benefits for our administrative staff, rental and rates, depreciation, office expenses, directors' remuneration, repairs and maintenance of our office premises, IT maintenance and others. Administrative and other operating expenses increased by approximately 39.9%, from approximately HK\$31.3 million for the six months ended 30 June 2023 to approximately HK\$43.8 million for the Period. Such increase was primarily due to an increase in staff costs and increase in depreciation expenses resulting from the expansion of the overall investment in the EV charging business.

## **Finance costs**

Our finance costs mainly represent interests on borrowings and lease liabilities. Finance costs increased by HK\$3.3 million, from approximately HK\$252,000 for the six months ended 30 June 2023 to approximately HK\$3.6 million for the Period, mainly attributable to the increase in interest expenses incurred on borrowings drawn under the green loan facility.

## **Income tax credit**

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax of the jurisdiction, respectively.

For the Period, the assessable profits of one of the Hong Kong incorporated subsidiaries of the Group (as elected by the management of the Group) is subject to the two-tiered profits tax rates regime, under which the first HK\$2 million of assessable profits will be taxed at 8.25% and assessable profits above HK\$2 million will be taxed at 16.5%. The Hong Kong Profits Tax of other Hong Kong incorporated subsidiaries of the Group is calculated at the standard tax rate of 16.5% of the respective estimated assessable profits for the Period (2023: 16.5%). For the Period and the six months ended 30 June 2023, the Group recorded an income tax credit of approximately HK\$75,000 and HK\$37,000 respectively.

### **Result for the Period**

As a result of the foregoing, the Group's loss and total comprehensive expense for the period narrowed by approximately 20.0%, from approximately HK\$49.9 million for the six months ended 30 June 2023 to approximately HK\$39.9 million for the Period.

### **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

Other borrowings and lease liabilities of the Group amounted to approximately HK\$65.4 million as at 30 June 2024 (31 December 2023: approximately HK\$65.8 million). Details of the Group's other borrowings and lease liabilities are set out in notes 17 and 18 respectively.

The Group's debt to equity ratio, which is calculated based on the net debt (all borrowings, including other borrowings and lease liabilities, net of cash and cash equivalents) divided by the total equity as at the Period end and multiplied by 100%, was approximately 76.5% as at 30 June 2024 (31 December 2023: approximately 40.2%).

The Group's gearing ratio, which is calculated based on all borrowings (including other borrowings and lease liabilities) divided by the total equity as at the Period end and multiplied by 100%, was approximately 80.2% as at 30 June 2024 (31 December 2023: approximately 62.4%).

The Group's current ratio, which is calculated based on the total current assets divided by the total current liabilities as at the Period end, was approximately 1.2 times as at 30 June 2024 (31 December 2023: approximately 2.3 times).

The Group recorded net current assets of approximately HK\$10.8 million as at 30 June 2024 (31 December 2023: net current liabilities of approximately HK\$53.7 million). The decrease in net current assets was mainly due to increase in trade and other payables, contract liabilities coupled with decrease in bank balances and cash. During the Period, the Group's operations were financed principally by revenue generated from its business operations, fund-raising activities such as subscription of shares, available cash and bank balances and borrowings. As at 30 June 2024, the Group had cash and bank balances of approximately HK\$3.1 million (31 December 2023: approximately HK\$23.4 million). The Board will continue to follow a prudent treasury policy in managing its cash and bank balances and maintain a strong and healthy liquidity to ensure that the Group is well positioned to capture any appropriate business opportunities.

### **CONTINGENT LIABILITIES**

As at 30 June 2024, the Group did not have any significant contingent liabilities (31 December 2023: nil).

### **CAPITAL COMMITMENTS**

As at 30 June 2024, the Group did not have significant capital commitments contracted but not provided for (31 December 2023: nil).

### **PLEDGE OF ASSETS**

As at 30 June 2024, property, plant and equipment, contract assets, trade and other receivables, prepayments and deposits and bank balances of the Group with aggregate carrying value of approximately HK\$106.1 million (31 December 2023: aggregate carrying value of approximately HK\$134.0 million) were pledged as security for the Group's borrowings. Besides, equity interests of certain of the Company's subsidiaries were pledged to secure the Group's green loan facilities. Details of the Group's pledged assets are set out in notes 17.

## **EXCHANGE RATE EXPOSURE**

The Group mainly operates in Hong Kong. The Group had minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the functional currency of the operating subsidiaries of the Group, i.e. HK\$.

As at 30 June 2024 and 31 December 2023, the Group did not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure from time to time and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

## **SIGNIFICANT INVESTMENTS**

During the Period, the Group did not have any significant investments (2023: nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have any plans for material investments and capital assets as at 30 June 2024.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the period.

## **DIVIDENDS**

The board of Directors (the "Board") does not recommend the payment of an interim dividend for the Period.

# OTHER INFORMATION

## CORPORATE GOVERNANCE PRACTICE

The corporate governance practices of the Group are based on the principles and the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix C1 to the GEM Listing Rules. During the Period, the Company had complied with all the applicable code provisions of the Code.

## COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Standard of Dealings") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the Standard of Dealings from 1 January 2024 and up to the date of this report.

## SUBSCRIPTION OF 19,516,000 NEW SHARES BY CONNECTED PERSON UNDER SPECIFIC MANDATE (THE "3RD SUBSCRIPTION")

On 22 December 2023, the Company and Mr. Wu Jianwei ("Mr. Wu"), a non-executive Director, entered into a subscription agreement (the "3rd Subscription Agreement"), pursuant to which Mr. Wu has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue and allot, an aggregate of 19,516,000 new ordinary shares at the subscription price of HK\$0.82 per subscription share. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the 3rd Subscription Agreement was HK\$0.70. The subscription shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the subscription shares. The aggregate nominal value of the subscription shares was HK\$195,160. The Company intends to apply the net proceeds from the 3rd Subscription, which would amount to approximately HK\$15.7 million, to further develop the Group's electric vehicle charging business. On such basis, the net price per subscription share was approximately HK\$0.80.

The 3rd Subscription constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

Completion of the 3rd Subscription took place on 17 May 2024. The subscription shares were issued and allotted pursuant to the specific mandate approved by the independent shareholders at the Company's extraordinary general meeting held on 15 March 2024. The net proceeds were fully utilized as at 30 June 2024.

For details of the 3rd Subscription, please refer to the announcement of the Company dated 22 December 2023 and the circular of the Company dated 26 February 2024.

### **SUBSCRIPTION OF 25,008,000 NEW SHARES BY CONNECTED PERSONS UNDER SPECIFIC MANDATE (THE "MAY SUBSCRIPTION")**

On 22 May 2024, the Company and Mr. Wu Jianwei, Mr. Liang Zihao and Mr. Li Man Keung Edwin (collectively, the "**Subscribers**") entered into the subscription agreement (the "**May Subscription Agreement**"), pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 25,008,000 new Shares at the subscription price of HK\$0.64 per subscription share. Each of the Subscribers shall subscribe for 8,336,000 new Shares. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the May Subscription Agreement was HK\$0.57. The subscription shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the subscription shares. The aggregate nominal value of the subscription shares will be HK\$250,080. The gross proceeds from the May Subscription will be HK\$16.0 million. The estimated net proceeds from the May Subscription after deduction of expenses, will amount to approximately HK\$15.8 million. On such basis, the net price per subscription share will be approximately HK\$0.63. The Company intends to apply the net proceeds from the May Subscription as working capital of the Group and for general corporate purposes.

The Board considers that the May Subscription represents a good opportunity to reduce the indebtedness and finance costs of the Group and to raise additional funds to strengthen the Group's financial position.

The May Subscription constitutes a connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under the GEM Listing Rules.

As at the date of the report, a general meeting has not convened to approve the May Subscription.

For details of the May Subscription, please refer to the announcement of the Company dated 22 May 2024.

## **PROPOSED ISSUE OF NEW SHARES TO MANAGEMENT (THE "MANAGEMENT SHARES ISSUANCE")**

On 28 June 2024, the Board has resolved to award an aggregate performance bonus to Mr. Yip Shiu Hong, Mr. Ho Karl, Mr. Ng Sze Chun and Mr. Lau Wai Yan Lawson (collectively, the "**Awardees**") in the amount of approximately HK\$64,761,950 or the equivalent award shares at the price per Share of HK\$0.55 totaling 117,749,000 award shares subject to the vesting conditions by way of issue and allotment of new Shares pursuant to the award shares specific mandate. The aggregate nominal value of the award shares is approximately HK\$1,177,490.

Reference is made to the announcements of the Company dated 7 October 2021 and 5 November 2021, whereby the Company has entered into separate service contracts with Mr. Yip Shiu Hong ("**Mr. Yip**"), Mr. Ho Karl ("**Mr. Ho**") and Mr. Ng Sze Chun ("**Mr. Ng**") respectively, pursuant to which each of the service contracts comprise performance bonuses that involve a cash bonus and/or the issue of Shares subject to the performance targets stated in their respective service contracts. Subject to the terms and conditions of the service contracts, the Company has agreed to conditionally issue and allot the emolument shares at the price per Share of HK\$0.55 totaling 19,384,000 emolument shares. The aggregate nominal value of the emolument shares is approximately HK\$193,840.

The closing price quoted on the Stock Exchange per ordinary share of the Company as at 28 June 2024 was HK\$0.52. The award shares and the emolument shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the award shares and the emolument shares.

The Company has resolved to grant the award shares to the Awardees, with a view to further motivate the management of the Company to maximize the Company's long-term interests and highlight the principle of performance-based awards so as to create more value for the Group. Meanwhile, pursuant to Mr. Yip's, Mr. Ho's and Mr. Ng's service contracts, they are subject to a performance bonus in cash and/or in new Shares after fulfillment of certain performance targets. Given that Mr. Yip, Mr. Ho and Mr. Ng has each fulfilled their respective performance targets, the Company has resolved to grant the emolument shares subject to their respective service contracts.

As the award shares and the emolument shares will be allotted and issued under the specific mandates, to be granted at the next EGM, the issue and allotment of the award shares and emolument shares is subject to the Shareholders' approval. As at the date of the report, a general meeting has not convened to approve the Management Shares Issuance.

The Awardees are connected persons of the Company under Chapter 20 of the GEM Listing Rules. Accordingly, the proposed issue of the award shares and the emolument shares constitute connected transactions and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

For details of the Management Shares Issuance, please refer to the announcement of the Company dated 28 June 2024.

## **PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE FOR CONSULTANT (THE “CONSULTANT SHARES ISSUANCE”)**

On 28 June 2024, the Company and VBG Capital Limited (the “**Consultant**”) has entered into the service agreement pursuant to which Consultant shall provide financial advisory services and, the Company has agreed conditionally to allot and issue a total of 25,000,000 consultant shares at the price of HK\$0.55 per Share to the Consultant as the Consultant’s service fee. Accordingly, the consultant shares will be allotted and issued under specific mandate, which is, subject to the approval by the Shareholders. The aggregate nominal value of the consultant shares is approximately HK\$260,000.

The closing price quoted on the Stock Exchange per ordinary share of the Company as at 28 June 2024 was HK\$0.52. The consultant shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the consultant shares.

The Consultant is a licensed corporation carrying out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial advisor appointed by the Company. The Directors believe that the qualification of the Consultant, appointment of the Consultant will benefit the Company and Shareholders as whole.

As at the date of the report, a general meeting has not convened to approve the Consultant Shares Issuance.

For details of the Consultant Shares Issuance, please refer to the announcement of the Company dated 28 June 2024.

## PROPOSED ADOPTION OF THE 2024 SHARE AWARD SCHEME

The Board proposes to adopt the 2024 share award scheme, which will allow the grant of share award scheme shares, as appropriate, to eligible participants providing them an incentive by way of an opportunity to become Shareholders and to align their interests with that of the Company in recognition of the contributions they have made or are expected to make to the Group. The ability for the Company to grant of share award scheme shares provides alternative means for the Company to provide incentives which can be more tailored towards the specific eligible grantee and is in line with the purpose of the 2024 share award scheme.

The 2024 share award scheme constitute a share scheme under Chapter 23 of the GEM Listing Rules. In accordance with the GEM Listing Rules, a share scheme involving the grant of new shares must be approved by shareholders of the listed issuer in a general meeting. Accordingly, the adoption of the 2024 Share Schemes will be subject to, among others, the Shareholders' approval at the AGM/EGM.

As at the date of the report, a general meeting has not convened to approve the 2024 share award scheme.

For details of the 2024 share award scheme, please refer to the announcement of the Company dated 28 June 2024.

## PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE (THE "CB PLACING")

On 31 July 2024, the Company entered into the convertible bonds placing agreement (the "**CB Placing Agreement**") with VBG Capital Limited (the "**Placing Agent**"), pursuant to which the Company agreed to issue and the Placing Agent agreed to procure, on a best effort basis, not less than six (6) placees, who will be independent third parties, to subscribe in cash for the convertible bonds (the "**Convertible Bonds**") in the aggregate principal amount of HK\$34,450,000 at the issue price of 100% of the principal amount of the Convertible Bonds. In the case of the conversion rights having been exercised in full at the initial conversion price of HK\$0.53 per conversion share, a maximum of 65,000,000 new Shares will be allotted and issued by the Company.

Pursuant to the Company's announcement dated 1 August 2024, the Company and the Placing Agent entered into a termination agreement pursuant to which the Company and the Placing Agent mutually agreed to terminate the CB Placing Agreement with effect from 1 August 2024.

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE (THE "AUGUST PLACING")**

On 2 August 2024, the Company entered into the placing agreement (the "**Placing Agreement**") with the Placing Agent pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 65,000,000 placing shares at the placing price of HK\$0.53 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The closing price quoted on the Stock Exchange per ordinary share of the Company as at the date of the Placing Agreement was HK\$0.66. The placing share, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the placing share. The aggregate nominal value of the placing shares will be HK\$650,000. The gross proceeds from the August Placing will be HK\$34.5 million. The estimated net proceeds from the August Placing after deduction of expenses, will amount to approximately HK\$32.7 million. On such basis, the net price per placing share will be approximately HK\$0.50. The Company intends to apply the net proceeds from the August Placing for capital expenditure for the expansion of electric vehicle charging projects in Hong Kong and general working capital of the Group. The Company shall use the capital expenditure for the expansion of electric vehicle charging projects in Hong Kong and investment in electric vehicle charging infrastructure and general working capital of the Group and therefore providing more flexibility to the Company in its future cash management.

The August Placing not yet completed as at the date of the report.

### **SHARE OPTION SCHEME**

The existing share option scheme of the Company (the "**Share Option Scheme**") was adopted by the Company at the extraordinary general meeting of the Company held on 12 December 2023 (the "**Adoption Date**") and the previous share option scheme of the Company adopted on 19 April 2018 (the "**Old Share Option Scheme**") was terminated on the same date. Options granted prior to the termination of the Old Share Option Scheme shall continue to be valid and exercisable in accordance with the Old Share Option Scheme.

The following is a summary of the major terms of the Share Option Scheme:

**1. Purpose of the Share Option Scheme**

The purpose of our Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives and/or rewards for their contribution or potential contribution to the Company.

**2. Eligible Participants**

Eligible Participants include the Employee Participants, the Service Providers and Related Entity Participants. The eligibility of each of the Eligible Participant shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- i. with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment, length of their service within the Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- ii. with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to the Group, their involvement in promoting the business of the Group, or where appropriate, contribution or potential contribution to the long-term growth of the Group.

**3. Grant and Acceptance of Option**

An offer shall remain open for acceptance by the Participants concerned from the date of grant provided that no such offer shall be open for acceptance after the expiry of the effective period of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions hereof. An Offer may not be accepted unless the Eligible Participant remains an eligible person on acceptance.

The offer shall specify the terms on which the option is granted. At the discretion of the Board, such terms may include, among other things, the minimum period for which an option must be held before it can be exercised.

A consideration of HK\$1.00 is payable to the Company by the Participant who accepts an offer (the “**Grantee**”) for each acceptance of grant of option(s) and such consideration is not refundable.

#### **4. Subscription price of Shares**

The subscription price shall be determined by the Board in its absolute discretion, provided that it must be at least the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) the nominal value of the Shares.

#### **5. Maximum number of Shares**

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the Adoption Date, i.e. 88,623,939 Shares (the “**Scheme Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

The maximum number of Shares issued and to be issued upon exercise of the options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding options) under the Share Option Scheme in any 12-month period up to date of grant must not exceed 1% of the Shares in issue.

**6. Time of exercise of options**

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

**7. Period of Share Option Scheme**

The Share Option Scheme was adopted for a period of ten years commencing from 12 December 2023. As at the date of this report, the remaining life of the Share Option Scheme was approximately 9.3 years.

For more details on the Share Option Scheme, please refer to Appendix III to the circular of the Company dated 22 November 2023 and Note 10 to the condensed consolidated financial statements in this report.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the paragraphs headed "Directors' and chief executives' interests and/or short positions in shares, underlying shares and debentures of the Company or any associated corporation" below and "Share option scheme" above, at no time during the Period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

Other than those disclosed in this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

## Long position in the shares (the “Shares”) or underlying shares of the Company

Name of Directors/chief executive of the Company	Capacity	Number of Shares or underlying Shares held	Percentage of issued share capital
Mr. Wu Jianwei (“Mr. Wu”)	Beneficial owner/Interest of controlled corporation	288,111,225 (Note 1)	31.81%
	Beneficial owner	10,400,000 (Note 5)	1.15%
Mr. Liang Zihao (“Mr. Liang”)	Beneficial owner/Interest of controlled corporation	244,403,225 (Note 2)	26.98%
	Beneficial owner	10,400,000 (Note 5)	1.15%
Mr. Pan Wenyuan (“Mr. Pan”)	Interest of controlled corporation	27,096,000 (Note 3)	2.99%
	Beneficial owner	6,000,000 (Note 5)	0.66%
Mr. Li Man Keung Edwin (“Mr. Li”)	Beneficial owner/Interest of controlled corporations	104,104,613 (Note 4)	11.49%
	Beneficial owner	10,400,000 (Note 5)	1.15%
Mr. Sam Weng Wa Michael	Beneficial owner	6,440,000 (Note 5)	0.71%
Ms. Wu Yanyan	Beneficial owner	47,550,000	5.25%
	Beneficial owner	6,000,000 (Note 5)	0.66%
Mr. Yip Shiu Hong	Beneficial owner	5,997,905	0.66%
Mr. Tam Ka Hei Raymond	Beneficial owner	1,040,000 (Note 5)	0.11%
Mr. Yuen Chun Fai	Beneficial owner	1,040,000 (Note 5)	0.11%
Ms. Zhu Xiaohui	Beneficial owner	1,040,000 (Note 5)	0.11%
Mr. Ko Shu Ki Kenneth	Beneficial owner	3,712,000	0.41%
	Beneficial owner	600,000 (Note 5)	0.07%
Mr. Ng Sze Chun	Beneficial owner	2,998,953	0.33%

*Notes:*

1. 235,603,225 Shares are held by Global Fortune Global Limited ("Global Fortune") which is owned as to 51% by Mr. Wu. Mr. Wu is deemed to be interested in the Shares in which Global Fortune is interested under the SFO. Mr. Wu also directly holds 52,508,000 Shares.
2. 235,603,225 Shares are held by Global Fortune which is owned as to 49% by Mr. Liang. Mr. Liang is deemed to be interested in the Shares in which Global Fortune is interested under the SFO. Mr. Liang also directly holds 8,800,000 Shares.
3. Mr. Pan owns 100% of the issued share capital of Silver Rocket Limited ("Silver Rocket"). Mr. Pan is deemed to be interested in the Shares in which Silver Rocket is interested under the SFO.
4. 17,392,000 Shares and 72,000,000 Shares are held by Tanner Enterprises Group Limited ("Tanner Enterprises") and Glorytwin Limited ("Glorytwin") respectively. Mr. Li owns 100% of the issued share capital of Tanner Enterprises, which in turn owns 100% of the issued share capital of Glorytwin. Mr. Li is deemed to be interested in the Shares in which Tanner Enterprises and Glorytwin are interested under the SFO. Mr. Li also directly holds 14,712,613 Shares.
5. These Shares represent the Shares which would be allotted and issued upon exercise in full of the share options granted to such Director under the Old Share Option Scheme.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

As at 30 June 2024, the interests and short positions of the substantial shareholders of the Company (other than the Directors and the chief executives of the Company) in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to Section 336 of the SFO, to be entered in the register to therein, were as follows:

### Long positions in the shares or underlying shares of the Company

Name of substantial shareholders	Capacity	Number of Shares or underlying Shares held	Percentage of issued share capital
Global Fortune	Beneficial owner	235,603,225 (Note 1)	26.01%
Tanner Enterprises	Beneficial owner/Interest of controlled corporation	89,392,000 (Note 2)	9.87%
Glorytwin	Beneficial owner	72,000,000 (Note 2)	7.95%
AASPCF2022 GP, LP	General Partner	100,000,000 (Note 3)	11.04%
Abax Asian Structured Private Credit Fund 2022, LP	Beneficial owner	100,000,000 (Note 3)	11.04%
Abax Global Capital	Interest of controlled corporation	100,000,000 (Note 3)	11.04%
Abax Global Capital GP 2022 Ltd.	General Partner	100,000,000 (Note 3)	11.04%

Name of substantial shareholders	Capacity	Number of Shares or underlying Shares held	Percentage of issued share capital
Yang Xiang Dong	Interest of controlled corporation	100,000,000 (Note 3)	11.04%
Gateway Capital (Hong Kong) Limited	Investment manager	79,704,000 (Note 4)	8.80%
Gaw Growth Equity Fund I GP Limited	Interest of controlled corporation	79,704,000 (Note 4)	8.80%
Gaw Growth Equity Fund I, LPF	Interest of controlled corporation	79,704,000 (Note 4)	8.80%
Steady Flake Limited	Beneficial owner	79,704,000 (Note 4)	8.80%

*Notes:*

1. Global Fortune is legally and beneficially owned as to 51% and 49% by Mr. Wu and Mr. Liang respectively. Therefore, by virtue of the SFO, Mr. Wu and Mr. Liang are deemed to be interested in all the Shares held by Global Fortune.
2. Glorytwin is legally and beneficially owned as to 100% by Tanner Enterprises. Therefore, by virtue of the SFO, Tanner Enterprises is deemed to be interested in all the Shares held by Glorytwin.
3. 100,000,000 Shares of which represent the Shares which would be allotted and issue upon exercise in full of the warrants granted by the Company. Based on the notice of disclosure of interest filed by each of AASPCF2022 GP, LP, Abax Asian Structured Private Credit Fund 2022, LP, Abax Global Capital, Abax Global Capital GP 2022 Ltd. and Yang Xiang Dong on 16 October 2023, the 100,000,000 shares were held by Abax Asian Structured Private Credit Fund 2022, LP ("Abax Asian"). AASPCF2022 GP, LP ("AAS") is acting as general partner of Abax Asian. Abax Global Capital GP 2022 Ltd. is acting as general partner of AAS. Abax Global Capital GP 2022 Ltd. is wholly owned by Abax Global Capital, which was owned as to 59.8% by Yang Xiang Dong. Therefore, by virtue of the SFO, each of AAS, Abax Global Capital GP 2022 Ltd., Abax Global Capital and Yang Xiang Dong was deemed to be interested in the 100,000,000 shares held by Abax Asian.
4. 21,000,000 Shares of which represent the Shares which would be allotted and issued upon exercise in full of the warrants granted by the Company.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **INTERESTS IN COMPETING BUSINESS**

For the Period, none of the Directors or any of their respective close associates (as defined under the GEM Listing Rules) were engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor were they aware of any other conflicts of interest which any such persons had or may have with the Group.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 19 April 2018 with written terms of reference in compliance with the code provisions of the Code. The primary duties of the Audit Committee are, among others, (i) to assist the Board in providing an independent view of the effectiveness of our Group's financial reporting process, internal control and risk management systems; (ii) to oversee the audit process; (iii) to make recommendations to the Board on the appointment and removal of external auditors; (iv) to monitor any continuing connected transaction; (v) to ensure the compliance with relevant laws and regulations and performance of the corporate governance functions delegated by the Board; and (vi) to perform other duties and responsibilities as assigned by the Board. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Yuen Chun Fai (chairman of the Audit Committee), Mr. Tam Ka Hei Raymond and Ms. Zhu Xiaohui.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the Period and is of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosures have been made in respect thereof.

## **BOARD OF DIRECTORS**

As at the date of this report, the Directors are:

### **Executive Directors:**

Mr. Liang Zihao (*Co-Chairman*)

Mr. Li Man Keung Edwin (*Vice Chairman*)

Mr. Yip Shiu Hong (*Chief Executive Officer*)

Mr. Sam Weng Wa Michael

Mr. Pan Wenyuan

Ms. Wu Yanyan

### **Non-executive Director:**

Mr. Wu Jianwei (*Co-Chairman*)

### **Independent Non-executive Directors:**

Mr. Tam Ka Hei Raymond

Mr. Yuen Chun Fai

Ms. Zhu Xiaohui

Mr. Ko Shu Ki Kenneth

By Order of the Board

**Cornerstone Technologies Holdings Limited**

**Liang Zihao**

*Co-Chairman and Executive Director*

Hong Kong, 27 August 2024

The board of Directors (the “Board”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024, together with the comparative unaudited figures for the corresponding period in 2023, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Note	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (Re-presented)
<b>Continuing operations</b>			
<b>Revenue</b>	3	<b>52,080</b>	25,531
Cost of services		<b>(44,745)</b>	(21,316)
<b>Gross profit</b>		<b>7,335</b>	4,215
Other income	4	<b>93</b>	298
Administrative and other operating expenses		<b>(43,798)</b>	(31,323)
Share-based payment expenses		-	(14,924)
Finance costs	5	<b>(3,608)</b>	(252)
<b>Loss before tax</b>	6	<b>(39,978)</b>	(41,986)
Income tax credit	7	<b>75</b>	37
<b>Loss for the period from continuing operations</b>		<b>(39,903)</b>	(41,949)
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	8	-	(7,956)

		<b>2024</b>	2023
		<b>HK\$'000</b>	HK\$'000
	<i>Note</i>	<b>(Unaudited)</b>	(Unaudited) (Re-presented)
<b>Loss and total comprehensive expense for the period</b>		<b>(39,903)</b>	(49,905)
(Loss)/Profit and total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		<b>(39,895)</b>	(50,116)
Non-controlling interests		<b>(8)</b>	211
		<b>(39,903)</b>	(49,905)
Loss and total comprehensive expense for the period attributable to owners of the Company:			
– from continuing operations		<b>(39,895)</b>	(41,949)
– from discontinued operations		-	(8,167)
		<b>(39,895)</b>	(50,116)
(Loss)/Profit attributable to non-controlling interests:			
– from continuing operations		<b>(8)</b>	-
– from discontinued operations		-	211
		<b>(8)</b>	211
<b>From continuing and discontinued operations</b>			
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted ( <i>HK cents</i> )	9	<b>(4.48)</b>	(6.41)
<b>From continuing operations</b>			
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted ( <i>HK cents</i> )	9	<b>(4.48)</b>	(5.36)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	64,610	45,837
Right-of-use assets		6,552	8,009
Other intangible assets		27,703	28,082
Goodwill		30,080	30,080
Deposits	15	6,635	5,047
Deferred tax assets		8,307	8,307
		<b>143,887</b>	125,362
<b>Current assets</b>			
Inventories	13	6,649	6,123
Contract assets	14	12,906	14,220
Trade and other receivables, prepayments and deposits	15	54,504	51,054
Bank balances and cash		3,070	23,381
		<b>77,129</b>	94,778

		At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>Current liabilities</b>			
Contract liabilities	14	3,559	1,056
Trade and other payables	16	59,514	36,806
Lease liabilities	18	2,736	2,715
Amount due to a former Director	19	526	526
		<b>66,335</b>	41,103
<b>Net current assets</b>		<b>10,794</b>	53,675
<b>Total assets less current liabilities</b>		<b>154,681</b>	179,037
<b>Non-current liabilities</b>			
Lease liabilities	18	3,971	5,340
Provisions	20	1,207	1,207
Other borrowings	17	58,711	57,720
Deferred tax liabilities		9,259	9,334
		<b>73,148</b>	73,601
<b>NET ASSETS</b>		<b>81,533</b>	105,436
<b>Capital and reserves</b>			
Share capital	21	9,058	8,862
Reserves		72,491	96,582
Equity attributable to owners of the Company		81,549	105,444
Non-controlling interests		(16)	(8)
<b>TOTAL EQUITY</b>		<b>81,533</b>	105,436

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000
	Reserves					Total HK\$'000			
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Share-based payments reserve HK\$'000	Accumulated losses HK\$'000				
<b>At 1 January 2023 (Audited)</b>	7,370	203,587	17,802	75,736	(252,093)	52,402	(1,511)	50,891	
<b>Change in equity for the six months ended 30 June 2023:</b>									
Issue of shares pursuant to exercise of warrants (Note 21)	320	15,680	-	-	-	16,000	-	16,000	
Issue of shares pursuant to share subscriptions (Note 21)	552	52,116	-	-	-	52,668	-	52,668	
Issue of shares pursuant to the share option scheme (Note 21)	-*	39	-	(14)	-	25	-	25	
Recognition of equity-settled share-based payment (Note 10)	-	-	-	14,924	-	14,924	-	14,924	
Loss and total comprehensive expense for the period	-	-	-	-	(50,116)	(50,116)	211	(49,905)	
<b>At 30 June 2023 (Unaudited)</b>	8,242	271,422	17,802	90,646	(302,209)	85,903	(1,300)	84,603	
<b>At 1 January 2024 (Audited)</b>	8,862	354,153	-	100,906	(358,477)	105,444	(8)	105,436	
<b>Change in equity for the six months ended 30 June 2024:</b>									
Issue of shares pursuant to share subscriptions (Note 21)	196	15,804	-	-	-	16,000	-	16,000	
Loss and total comprehensive expense for the period	-	-	-	-	(39,895)	(39,895)	(8)	(39,903)	
<b>At 30 June 2024 (Unaudited)</b>	9,058	369,957	-	100,906	(398,372)	81,549	(16)	81,533	

\* Represents amount less than HK\$1,000

*Notes:*

- (i) Share premium represents the excess of the net proceeds from issuance of the Company's share over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.
  
- (ii) Capital reserve represents the aggregate amount of the issued share capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any) in relation to the group reorganisation.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Net cash used in operating activities</b>	<b>(7,714)</b>	(61,257)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(23,043)	(10,772)
Purchase of other intangible assets	(1,444)	(3,279)
<b>Net cash used in investing activities</b>	<b>(24,487)</b>	(14,051)
<b>FINANCING ACTIVITIES</b>		
New borrowings raised	-	6,172
Repayment of lease liabilities	(1,535)	(5,005)
Proceeds from issue of subscription shares	16,000	52,669
Proceeds from issue of shares pursuant to exercise of warrants	-	16,000
Proceeds from issue of shares pursuant to exercise of share options	-	26
Transaction costs attributable to issue of shares	-	(400)
Interest paid	(2,575)	(460)
<b>Net cash from financing activities</b>	<b>11,890</b>	69,002
<b>Net decrease in cash and cash equivalents</b>	<b>(20,311)</b>	(6,306)
<b>Cash and cash equivalents at beginning of period</b>	<b>23,381</b>	10,522
<b>Cash and cash equivalents at end of period, represented by bank balances and cash</b>	<b>3,070</b>	4,216

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 24 January 2017. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of placing and public offer on 11 May 2018. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company's principal place of business is situated at Office Units 1107-11, 11th Floor, New East Ocean Centre, No. 9 Science Museum Road, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in electric vehicle charging business in Hong Kong.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2024 (the "Condensed Consolidated Financial Statements") are presented in Hong Kong dollars ("HK\$"), which is also the primary functional currency of the Company.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 31 December 2023 (the "2023 Annual Report"), except for the new and revised HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. At the date of authorisation of the Condensed Consolidated Financial Statements, the Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current period.

The Condensed Consolidated Financial Statements have not been audited by the Company's auditors but have been reviewed by the audit committee of the Company (the "Audit Committee").

### **Adoption of new/revised HKFRSs**

In the current interim period, the Group has applied, for the first time, the following new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in the Condensed Consolidated Financial Statements.

### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates. In preparing the Condensed Consolidated Financial Statements, the significant judgements made by the management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the 2023 Annual Report.

### 3. REVENUE AND SEGMENT INFORMATION

#### Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focus on the types of services provided.

#### (i) Disaggregation of revenue from contracts with customers from continuing operations

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Re-presented)
<b>Continuing Operations</b>		
<u>Electric vehicle charging business</u>		
Sales of electric vehicle charging systems		
– Local customers	12,924	11,397
– Overseas customers	2,965	1,868
Electric vehicle charging income	8,855	1,761
Provision of installation service income	25,714	10,177
Maintenance income and rental income	1,622	328
	<b>52,080</b>	25,531

(ii) **Segment information**

**Six months ended 30 June 2024 (unaudited)**

	Continuing operations	Discontinuing operations	
	Electric vehicle charging business HK\$'000	Printing business HK\$'000	Total HK\$'000
Revenue from external customers	52,080	-	52,080
Segment results	(39,978)	-	(39,978)
Unallocated expenses			-
Income tax credit			75
Loss for the period			(39,903)
Segment assets	221,016	-	221,016
Unallocated assets			-
Total assets			221,016
Segment liabilities	139,483	-	139,483
Unallocated liabilities			-
Total liabilities			139,483
<b>Other segment information:</b>			
Addition to property, plant and equipment	23,043	-	23,043
Additions to other intangible assets	1,444	-	1,444
Cost of services	44,745	-	44,745
Depreciation of property, plant and equipment	4,270	-	4,270
Depreciation of right-of-use assets	1,457	-	1,457
Amortisation of other intangible assets	1,823	-	1,823

**Six months ended 30 June 2023 (unaudited)**

	Continuing operations	Discontinuing operations	
	Electric vehicle charging business HK\$'000	Printing business HK\$'000	Total HK\$'000
Revenue from external customers	25,531	23,742	49,273
Segment results	(19,894)	(7,956)	(27,850)
Unallocated expenses			(22,092)
Income tax credit			37
Loss for the period			(49,905)
Segment assets	156,451	50,995	207,446
Unallocated assets			460
Total assets			207,906
Segment liabilities	(42,923)	(65,622)	(108,545)
Unallocated liabilities			(14,758)
Total liabilities			(123,303)
<b>Other segment information:</b>			
Addition to property, plant and equipment	10,481	291	10,772
Additions to other intangible assets	3,279	-	3,279
Cost of services	21,316	19,809	41,125
Depreciation of property, plant and equipment	1,899	631	2,530
Depreciation of right-of-use assets	1,456	2,471	3,927
Amortisation of other intangible assets	1,200	-	1,200

#### *Geographical information*

Since the Group mainly operates in Hong Kong and the Group's assets and liabilities are mainly located in Hong Kong, no geographical segment information is presented.

#### *Information about major customers*

Revenue from customers which individually contributed 10% or more of the total revenue of the Group is as follows:

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	-	5,954
Customer B	13,300	-
Customer C	6,201	-

#### 4. OTHER INCOME

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Re-presented)
<b>Continuing operations</b>		
Government grant	-	278
Interest income	68	20
Sundry income	25	-
	<b>93</b>	<b>298</b>

## 5. FINANCE COSTS

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Re-presented)
<b>Continuing operations</b>		
Interest on other borrowings	3,421	-
Interest on lease liabilities	187	252
	<hr/>	<hr/>
	3,608	252
	<hr/>	<hr/>

## 6. LOSS BEFORE TAX

This is stated after charging (crediting):

	Six months ended	
	30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
		(Re-presented)
<b>Continuing operations</b>		
Staff costs (including directors' emoluments)		
– Salaries and other benefits	<b>23,141</b>	19,988
– Contributions to defined contribution plans	<b>687</b>	585
– Share-based payment expenses	<b>-</b>	14,181
	<hr/>	<hr/>
Total staff costs	<b>23,828</b>	34,754
	<hr/>	<hr/>
Other items:		
Auditor's remuneration	<b>325</b>	191
Cost of inventories	<b>44,747</b>	21,316
Depreciation of property, plant and equipment	<b>4,270</b>	1,899
Depreciation of right-of-use assets	<b>1,457</b>	1,456
Amortisation of other intangible assets	<b>1,823</b>	1,200
Exchange loss (gain), net	<b>187</b>	(2)
Share-based payment expenses (non-employee related)	<b>-</b>	743
	<hr/>	<hr/>

## 7. INCOME TAX CREDIT

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Re-presented)
<b>Continuing operations</b>		
Current tax – Hong Kong Profits Tax:		
Provision for the period	-	-
Deferred taxation	(75)	(37)
	<b>(75)</b>	<b>(37)</b>

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax of the jurisdiction, respectively.

Under the two-tiered profits tax rates regime, Hong Kong Profits Tax is calculated at the rate of 8.25% on the first HK\$2 million of the estimated assessable profits of the qualifying group entity and 16.5% on the remaining amount of the estimated assessable profits for the six months ended 30 June 2024. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2023: 16.5%).

## 8. DISCONTINUED OPERATIONS

On 15 August 2023, the Company entered into a sale and purchase agreement (the "S&P Agreement") with Castle Noble International Limited, as purchaser, being a connected person of the Company. Castle Noble International Limited is beneficially wholly-owned by Mr. Liang Zihao, an executive Director and a controlling Shareholder of the Company, Pursuant to S&P Agreement, which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the entire issued share capital of two subsidiaries of the Company, together with their respective subsidiaries (the "Disposed Subsidiaries") which were engaged in the Printing Business, for a cash consideration of HK\$1. The disposal has been completed on 31 December 2023. Comparative figures in the consolidated statement of profit or loss and other comprehensive income have been re-presented to disclose separately the profit or loss from discontinued operations.

During the period ended 30 June 2024, the discontinued operations of the Group used cashflow of HK\$Nil (2023: HK\$7,257,000) in respect of operating activities, used cashflow of HK\$Nil (2023: used cashflow of HK\$291,000) in respect of investing activities and generated cashflow of HK\$Nil (2023: HK\$2,241,000) in respect of financing activities.

The results of the discontinued operations, which have been included in the consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2023, were as follows:

	<i>HK\$'000</i>
Revenue	<b>23,742</b>
Cost of services	<b>(19,809)</b>
<hr/>	
Gross profit	<b>3,933</b>
Other income	<b>607</b>
Selling expenses	<b>(1,737)</b>
Administrative and other operating expenses	<b>(9,426)</b>
Finance costs	<b>(1,333)</b>
<hr/>	
Loss before tax	<b>(7,956)</b>
Income tax	<b>-</b>
<hr/>	
Loss and total comprehensive expense for the period	<b>(7,956)</b>
Loss for the period from discontinued operations has been arrived after charging:	
Staff costs (including directors' emoluments)	<b>15,120</b>
Auditor's remuneration	<b>169</b>
Cost of inventories	<b>19,809</b>
Depreciation of property and equipment	<b>631</b>
Depreciation of right-of-use assets	<b>2,471</b>
<hr/>	

**9. LOSS PER SHARE**

**(a) From continuing and discontinued operations**

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

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
		(Re-presented)
Loss:		
Loss for the purpose of calculating basic and diluted loss per share (loss for the period attributable to owners of the Company)	<b>(39,895)</b>	(50,116)
	<b>'000</b>	'000
	<b>(Unaudited)</b>	(Unaudited)

*Number of shares:*

Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share

share	<b>891,065</b>	782,428
-------	----------------	---------

Diluted loss per share for the six months ended 30 June 2024 and 2023 is the same as the basic loss per share as the share options of the Company outstanding as at 30 June 2024 and 2023 had an anti-dilutive effect on the basic loss per share.

**(b) From continuing operations**

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

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
		(Re-presented)
Loss for the period from continuing operations	<b>(39,895)</b>	(41,949)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

No diluted loss per share from continuing operations is presented for both years since the assumed exercise of the share options would result in a decrease in diluted loss per share.

**(c) From discontinued operations**

For the six months ended 30 June 2024, basic loss per share from discontinued operations was nil cents (2023: HK1.04 cents), which were calculated based on the loss from discontinued operations for the year of HK\$nil (2023: HK\$8,167,000) and the denominators detailed above.

## 10. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The existing share option scheme of the Company (the “Share Option Scheme”) was adopted by the Company at the extraordinary general meeting of the Company held on 12 December 2023 (the “Adoption Date”) and the previous share option scheme of the Company adopted on 19 April 2018 (the “Old Share Option Scheme”) was terminated on the same date. Options granted prior to the termination of the Old Share Option Scheme shall continue to be valid and exercisable in accordance with the Old Share Option Scheme.

Since the adoption of the Share Option Scheme, no option had been granted under the Share Option Scheme.

The number of share options available for grant under the Share Option Scheme as at 1 January 2024 and 30 June 2024 was 88,623,939.

A total of 88,623,939 Shares are available for issue under the Share Option Scheme, representing approximately 10% of the Company’s total number of issued Shares as at the date of this report.

Pursuant to the Old Share Option Scheme, no share options (2023: Nil) were granted to eligible participants of the Group during the six months ended 30 June 2024. The movements of share options under the Old Share Option Scheme during the six months ended 30 June 2024 are as follows:

Category/ Name of grantees	Date of grant	Exercise price (HK\$)	Vesting date	Exercise period	Number of share options					
					Balance as at 1 January 2024	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	Balance as at 30 June 2024
<b>Directors/ Substantial shareholders</b>										
Liang Zihao	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Sam Weng Wa Michael	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000

Category/ Name of grantees	Date of grant	Exercise price		Exercise period	Number of share options					
		(HK\$)	Vesting date		Balance as at 1 January 2024	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	Balance as at 30 June 2024
Li Man Keung Edwin	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Wu Jianwei	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	4,400,000	-	-	-	-	4,400,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Wu Yanyan	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Pan Wenyuan	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Tam Ka Hei Raymond	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000
Yuen Chun Fai	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000
Zhu Xiaohui	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	440,000	-	-	-	-	440,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000
Ko Shu Ki Kenneth	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	600,000	-	-	-	-	600,000
<b>Ex-directors</b>										
Lau Wai Yan Lawson	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,100,000	-	-	-	-	1,100,000
	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000
Yeung Chun Yue David	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	6,000,000	-	-	-	-	6,000,000

Category/ Name of grantees	Date of grant	Exercise price		Exercise period	Number of share options					
		(HK\$)	Vesting date		Balance as at 1 January 2024	Granted during the Period	Exercised during the Period	Lapsed during the Period	Cancelled during the Period	Balance as at 30 June 2024
<b>Employees</b>										
In aggregate	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,916,000	-	-	-	-	1,916,000
In aggregate	28 January 2021	0.54	1 April 2022	1 April 2022 to 27 January 2031	1,116,000	-	-	-	-	1,116,000
In aggregate	17 June 2022	0.85	17 June 2023	17 June 2023 to 16 June 2032	1,600,000	-	-	-	(300,000)	1,300,000
In aggregate	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	3,600,000	-	-	-	-	3,600,000
<b>Senior Management</b>										
In aggregate	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	1,200,000	-	-	-	-	1,200,000
<b>Consultants</b>										
In aggregate	28 January 2021	0.54	27 July 2021	27 July 2021 to 27 January 2031	1,760,000	-	-	-	-	1,760,000
In aggregate	17 June 2022	0.85	17 June 2023	17 June 2023 to 16 June 2032	300,000	-	-	-	-	300,000
In aggregate	17 November 2022	0.79	17 November 2023	17 November 2023 to 16 November 2032	3,000,000	-	-	-	-	3,000,000
<b>Total</b>					80,952,000	-	-	-	(300,000)	80,652,000

**Notes:**

- The closing price of the Company's shares immediately before the grant of share awards on 28 January 2021 was HK\$0.54 per share. The closing price of the Company's shares immediately before the grant of share awards on 17 June 2022 was HK\$ 0.78 per share. The closing price of the Company's shares immediately before the grant of share awards on 17 November 2022 was HK\$0.79 per share.
- The number of Shares that may be issued in respect of the share options granted during the six months ended 30 June 2024 divided by the weighted average number of Shares in issue for the six months ended 30 June 2024 was Nil.

## 11. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: nil).

## 12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment of approximately HK\$23.0 million (2023: approximately HK\$10.8 million).

## 13. INVENTORIES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Raw materials	3,642	2,996
Finished goods	3,007	3,127
	<b>6,649</b>	6,123

## 14. CONTRACT ASSETS AND CONTRACT LIABILITIES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Contract assets	(a) 12,906	14,220
Contract liabilities	(b) 3,559	1,056

(a) **Contract assets**

	<b>At</b>	<b>At</b>
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Provision of installation service relating to electric vehicle charging-enabling infrastructure	<b>12,906</b>	14,220

Contract assets consist of unbilled amount resulting from provision of installation service relating to electric vehicle charging-enabling infrastructure when the revenue recognised exceeds the amount billed to the customers. The contract assets are transferred to trade receivables when the rights become unconditional.

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

(b) **Contract liabilities**

	<b>At</b>	<b>At</b>
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Provision of subscription service relating to electric vehicle charging	<b>2,627</b>	1,009
Provision of sale of electric charging tool and equipment to customers	<b>304</b>	47
Provision of installation service relating to electric vehicle charging-enabling infrastructure	<b>628</b>	-
	<b>3,559</b>	1,056

Contract liabilities represent the Group's obligation to transfer performance obligation to customers for which the Group has received considerations from the customers.

The contract liabilities above are due to the advance payment made by customers. A contract liability is the Group's obligation to render services to a customer for which the Group has received consideration from the customer. A contract liability is recognised by the Group when the customer pays consideration but before the Group renders the service to the customer.

## 15. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Trade receivables		
– Contracts with customers	32,550	35,929
Less: provision for impairment of trade receivables	(1,304)	(1,304)
	<hr/>	<hr/>
Trade receivables, net	31,246	34,625
	<hr/>	<hr/>
Other receivables	5,365	1,589
Prepayments	16,050	12,898
Deposits	8,478	6,989
	<hr/>	<hr/>
	29,893	21,476
	<hr/>	<hr/>
Total	61,139	56,101
	<hr/>	<hr/>
Analysed as:		
Non-current assets	6,635	5,047
Current assets	54,504	51,054
	<hr/>	<hr/>
	61,139	56,101
	<hr/>	<hr/>

The Group normally grants credit terms of up to 60 days from the date of issuance of invoices. The credit period provided to customers varies based on a number of factors including nature of operations, the Group's relationship with the customer and the customer's credit profile.

The following is an ageing analysis of trade receivables based on invoice date at the dates indicated:

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
Within 30 days	13,587	20,033
31 to 60 days	8,244	808
61 to 90 days	909	895
Over 90 days	9,810	14,193
	<b>32,550</b>	<b>35,929</b>

#### 16. TRADE AND OTHER PAYABLES

	At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
Trade payables	47,409	26,841
Accruals and other payables	8,907	8,525
Receipts in advance for placing of shares	3,000	-
Deposits received	198	1,440
	<b>12,105</b>	<b>9,965</b>
Total	<b>59,514</b>	<b>36,806</b>

The Group is normally granted credit terms of up to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

The following is an ageing analysis of trade payables based on invoice date at the dates indicated:

	<b>At 30 June 2024 HK\$'000 (Unaudited)</b>	<b>At 31 December 2023 HK\$'000 (Audited)</b>
Within 30 days	<b>35,929</b>	17,067
31 to 60 days	<b>2,774</b>	2,480
61 to 90 days	<b>5,705</b>	7,294
Over 90 days	<b>3,001</b>	-
	<b>47,409</b>	26,841

## 17. OTHER BORROWINGS

At the end of the reporting year, the details of the other borrowings of the Group are as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Other borrowings – secured	<b>58,711</b>	57,720
Carrying amounts of the above other borrowings are repayable:		
Within a period of more than two years but not exceeding five years	<b>58,711</b>	57,720

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

The Group's other borrowings as at 30 June 2024 and 31 December 2023 were all denominated in US\$.

As at 30 June 2024 and 31 December 2023, other borrowings of HK\$58,711,000 and HK\$57,720,000 are secured, guaranteed by several subsidiaries of the Company, interest-bearing and are repayable within 36 months from the date of drawdown.

The Group's effective interest rates as at 30 June 2024 and 31 December 2023 was 11.89%.

## Pledge of Assets

As at 30 June 2024 and 31 December 2023, the Group had the following categories of assets which had been pledged for the Group's other borrowings:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Property, plant and equipment	61,260	45,837
Contract assets	12,906	14,220
Trade receivables	31,246	34,625
Other receivables, prepayments and deposits	-	21,476
Bank balances	670	17,817
	<b>106,082</b>	<b>133,975</b>

## 18. LEASE LIABILITIES

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Lease liabilities payable:		
Within one year	2,736	2,715
Within a period of more than one year but not exceeding two years	2,774	2,738
Within a period of more than two years but not exceeding five years	1,197	2,602
	<b>6,707</b>	<b>8,055</b>
Less: Amount due for settlement within 12 months shown under current liabilities	<b>(2,736)</b>	<b>(2,715)</b>
Amount due for settlement after 12 months shown under non-current liabilities	<b>3,971</b>	<b>5,340</b>

## 19. RELATED PARTY TRANSACTIONS

- (a) Details of amounts due from/to related parties as at 30 June 2024 and 31 December 2023 are as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
Amount due to a former Director Yeung Chun Yue David (Note i)	526	526
Balances included in other payables:		
Amounts due to related companies (Note i, Note 16)	1,146	787

*Notes:*

- (i) The amounts were unsecured, interest free and repayable on demand.
- (ii) The amounts were unsecured, interest free and to be settled according to the relevant trading terms.
- (b) In addition to the transactions and balances disclosed elsewhere in the notes to the Condensed Consolidated Financial Statements, the Group had the following related party transactions during the six months ended 30 June 2024 and 2023:

	Six months ended 30 June 2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Sales of electric vehicle charging systems to an associate company	-	374
Commercial printing service income from related companies	-	39
Financial printing service income from related companies	-	181
Other service income from related companies	-	297
Administrative and other operating expenses to related companies	359	938

(c) Remuneration for key management personnel (including Directors) of the Group:

	Six months ended	
	30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	6,090	7,110
Contributions to defined contribution retirement scheme	54	73
Share-based payment expenses	-	6,934
	<b>6,144</b>	<b>14,117</b>

## 20. PROVISIONS

	At	At
	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Reinstatement provisions	1,207	1,207
Analysed as:		
Non-current liabilities	1,207	1,207

## 21. SHARE CAPITAL

	Note	Number of shares '000	Amount HK\$'000
<b>Ordinary shares of HK\$0.01 each</b>			
<b>Authorised:</b>			
At 1 January 2024 (Audited) and <b>30 June 2024 (Unaudited)</b>		<b>100,000,000</b>	<b>1,000,000</b>
<b>Issued and fully paid:</b>			
At 1 January 2023 (Audited)		736,992	7,370
Issue of shares pursuant to share option scheme		48	—*
Issue of shares pursuant to share subscription	(a)	55,200	552
Issue of shares pursuant to warrant agreement	(b)	94,000	940
At 31 December 2023 and <b>1 January 2024 (Audited)</b>		<b>886,240</b>	<b>8,862</b>
Issue of shares pursuant to share subscription	(c)	<b>19,516</b>	<b>196</b>
<b>At 30 June 2024 (Unaudited)</b>		<b>905,756</b>	<b>9,058</b>

\* Represents amount less than HK\$1,000

### Notes:

- (a) On 6 March 2023, an aggregate of 20,000,000 subscription shares have been issued and allotted to the subscriber at the subscription price of HK\$0.62 per subscription share pursuant to the terms and conditions of the subscription agreement. In addition, on 30 May 2023, an aggregate of 35,200,000 subscription shares have been issued and allotted to the subscribers at the subscription price of HK\$1.144 per subscription share pursuant to the terms and conditions of the subscription agreement.
- (b) On 5 January 2023, 3 March 2023 and 17 August 2023, an aggregate of 16,000,000 warrant shares, an aggregate of 16,000,000 warrant shares and an aggregate of 62,000,000 warrant shares have been issued and allotted to the subscriber at the subscription price of HK\$0.50 per subscription share pursuant to the terms and conditions of the subscription agreement of the warrants respectively.
- (c) On 17 May 2024, an aggregate of 19,516,000 subscription shares have been issued and allotted to the subscriber at the subscription price of HK\$0.82 per subscription share pursuant to the terms and conditions of the subscription agreement.

## **22. RETIREMENT BENEFITS SCHEME**

### **Defined contribution plans**

The Group joins the Mandatory Provident Fund Scheme (the “MPF Scheme”) for their qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are both required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount is HK\$1,500 per employee per month.

## **23. EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this report, the Group has no significant events subsequent to 30 June 2024 and up to the date of this report.

## **24. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The Condensed Consolidated Financial Statements were approved and authorised for issue by the Board on 27 August 2024.