



Futian Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8196

Interim Report **2025**

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*This report, for which the directors (the “**Directors**”) of Futian Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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; there are no other matters the omission of which would make any statement herein or this report misleading.*

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2025

- Based on the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025 (the “**Period**”), the Group’s revenue for the Period amounted to approximately RMB47,223,000, representing an increase of approximately 164.8% as compared to approximately RMB17,832,000 for the corresponding period in 2024.
- During the Period, the Group’s total gross profit was approximately RMB9,125,000, representing an increase of approximately 42.5% as compared to approximately RMB6,405,000 for the corresponding period in 2024.
- Profit attributable to owners of the Company was approximately RMB1,996,000 as compared to loss attributable to owners of the Company of approximately RMB814,000 for the corresponding period in 2024.
- The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company does not recommend the payment of an interim dividend for the Period.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

UNAUDITED INTERIM RESULTS

The Board announces the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 June 2025 together with the comparative unaudited figures for the corresponding period in 2024 as follows:

		For the Six months ended 30 June	
	Notes	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
REVENUE	4	47,223	17,832
Cost of Sales		(38,098)	(11,427)
Gross profit		9,125	6,405
Other income and gains	4	3,253	2,414
Selling and distribution expenses		(1,293)	(615)
Administrative expenses		(8,705)	(8,436)
Finance costs	6	(254)	—
PROFIT/(LOSS) BEFORE TAX		2,126	(232)
Income tax expense	8	(130)	(582)
PROFIT/(LOSS) FOR THE PERIOD		1,996	(814)
Other comprehensive loss for the Period, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		3,622	(44)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		3,622	(44)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		5,618	(858)
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			(Restated)
Basic and diluted (RMB)	10	0.059	(0.021)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 Unaudited	31 December 2024 RMB'000 Audited
NON-CURRENT ASSETS			
Property, plant and equipment		8,500	6,649
Investment properties		25,800	25,800
Right-of-use assets		11	11
Other intangible asset		49	49
Receivables under a service concession arrangement		25,191	25,191
Equity investments designated at fair value through other comprehensive income		1,910	1,910
		61,461	59,610
CURRENT ASSETS			
Inventories		776	—
Receivables under a service concession arrangement		7,124	7,124
Trade and bills receivables	11	43,131	51,458
Contract assets		16,132	15,803
Prepayments, deposits and other receivables		24,937	19,562
Cash and bank balances		62,047	72,333
		154,147	166,280
CURRENT LIABILITIES			
Trade payables	12	87,200	87,791
Contract liabilities		3,164	22,571
Other payables and accruals		27,198	26,564
Tax payable		2,277	976
		119,839	137,902
NET CURRENT ASSETS		34,308	28,378
TOTAL ASSETS LESS CURRENT LIABILITIES		95,769	87,988

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 Unaudited	31 December 2024 RMB'000 Audited
NON-CURRENT LIABILITIES			
Borrowings		9,514	9,397
Deferred tax liabilities		5,055	5,055
Total non-current liabilities		14,569	14,452
NET ASSETS			
CAPITAL AND RESERVES			
Equity attributable to owner of the Company			
Share capital		3,127	2,579
Reserves		78,073	70,957
TOTAL EQUITY		81,200	73,536

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium account RMB'000	Merge reserve RMB'000	Asset revaluation reserve RMB'000	Statutory surplus reserve RMB'000	Share-based payment reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024 (audited)	2,397	98,818	(13,830)	14,812	16,824	3,161	3,922	(51,098)	75,006
Loss for the Period	–	–	–	–	–	–	–	(814)	(814)
Other comprehensive income for the Period:									
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(44)	–	(44)
Total comprehensive income for the Period	–	–	–	–	–	–	(44)	(814)	(858)
Share-based payment	–	–	–	–	–	1,091	–	–	1,091
At 30 June 2024 (unaudited)	2,397	98,818	(13,830)	14,812	16,824	4,252	3,878	(51,912)	75,239

	Share capital RMB'000	Share premium account RMB'000	Merge reserve RMB'000	Asset revaluation reserve RMB'000	Statutory surplus reserve RMB'000	Share-based payment reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2025 (audited)	2,579	103,928	(13,830)	13,424	16,824	4,606	4,145	(58,140)	73,536
Profit for the Period	–	–	–	–	–	–	–	1,996	1,996
Other comprehensive income for the Period:									
Exchange differences on translation of foreign operations	–	–	–	–	–	–	3,622	–	3,622
Total comprehensive income for the Period	–	–	–	–	–	–	3,622	1,996	5,618
Placing of new shares under general mandate	548	847	–	–	–	–	–	–	1,395
Share-based payment	–	–	–	–	–	651	–	–	651
At 30 June 2025 (unaudited)	3,127	104,775	(13,830)	13,424	16,824	5,257	7,767	(56,144)	81,200

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Net cash used in operating activities	(13,392)	(3,613)
Net cash used in investing activities	(2,028)	(3)
Net cash generated from in financing activities	1,512	—
Net decrease in cash and cash equivalents	(13,908)	(3,616)
Cash and cash equivalents at beginning of the Period	72,333	53,360
Effect of foreign exchanges, net	3,622	(44)
Cash and cash equivalents at end of the Period	62,047	49,700
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances as stated in the condensed consolidated statement of financial position	62,047	49,700
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	62,047	49,700

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 25 March 2015. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 01-06, Level 27, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. During the Period, the Group is principally engaged in (i) environmental protection business, such as wastewater treatment and soil remediation, through the design, construction, operation and maintenance service of related facilities, (ii) the trading of related equipment, and (iii) provision of online advertising and related services.

2. BASIS OF PREPARATION

The Group's interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and with the applicable disclosure requirements of the GEM Listing Rules.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2024.

The interim condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee (the "**Audit Committee**") of the Company.

3. OPERATING SEGMENT INFORMATION

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

- (a) the engineering, procurement and construction projects ("**EPC Projects**") segment comprises of projects in which an enterprise is commissioned by a customer to act as a general contractor to take care of the overall design, procurement and construction of water or wastewater treatment facilities pursuant to the contract and is responsible for the quality, safety, time control and pricing of the project;
- (b) the construction projects ("**Construction Projects**") segment represents construction projects other than EPC Projects;
- (c) the equipment projects ("**Equipment Projects**") segment comprises of projects in which an enterprise is engaged by a customer for procurement of necessary materials, equipment and machinery, installation, testing and commissioning of the equipment and machinery for the treatment facilities as well as provision of technical consulting services to upgrade or optimise the design of the water or wastewater treatment facilities pursuant to the contract;
- (d) the service concession arrangement ("**Service Concession Arrangement**") segment comprises of projects which provides the construction of sludge treatment and operation of the sludge station(s) upon completion of construction for a long period, i.e. 10 years. The fee received under this arrangement for the provision of operation services includes a guaranteed tariff based on a guaranteed minimum treatment volume together with an additional tariff in excess of the minimum volume. Restoration of the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement is necessary. According to the term of such arrangement, the Group is responsible for all of the costs in construction, operation and maintenance as well as restoration of the infrastructure; and
- (e) the Others segment comprises, principally, (i) the Group's operation and maintenance services in which an enterprise of the Group is retained to operate and maintain water or wastewater treatment facilities for a certain period for certain operation and maintenance fees on a monthly or quarterly basis, and (ii) provision of online advertising and related services.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION (continued)

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

Segment assets exclude tax recoverables, cash and cash equivalents, property, plant and equipment, investment properties, prepaid land lease payments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payables, deferred tax liabilities, interest-bearing bank borrowing and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

The unaudited segment results for the six months ended 30 June 2025 are as follows:

	EPC Projects RMB'000	Construction Projects RMB'000	Equipment Projects RMB'000	Services Concession Arrangement RMB'000	Others RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	28,242	–	28	10,157	8,796	47,223
Segment results	8,421	–	11	369	324	9,125
<i>Reconciliation:</i>						
Interest income						817
Unallocated gains						2,436
Corporate and other unallocated expenses						(10,252)
Profit before tax						2,126

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION (continued)

The unaudited segment results for the six months ended 30 June 2024 are as follows:

	EPC Projects RMB'000	Construction Projects RMB'000	Equipment Projects RMB'000	Services Concession Arrangement RMB'000	Others RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	570	144	4,147	11,240	1,731	17,832
Segment results	90	4	4,086	1,283	942	6,405
<i>Reconciliation:</i>						
Interest income						507
Unallocated gains						1,907
Corporate and other unallocated expenses						(9,051)
Loss before tax						(232)

The unaudited segment assets and liabilities as at 30 June 2025 are as follows:

	EPC Projects RMB'000	Construction Projects RMB'000	Equipment Projects RMB'000	Services Concession Arrangement RMB'000	Others RMB'000	Total RMB'000
Segment assets	13,288	8,140	48,274	5,792	16,381	91,875
Segment liabilities	20,177	31,885	39,481	15,700	1,424	108,667

The audited segment assets and liabilities as at 31 December 2024 are as follows:

	EPC Projects RMB'000	Construction Projects RMB'000	Equipment Projects RMB'000	Services Concession Arrangement RMB'000	Others RMB'000	Total RMB'000
Segment assets	16,432	7,296	32,881	43,508	12,655	112,772
Segment liabilities	40,832	10,305	38,256	20,030	939	110,362

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; an appropriate proportion of contract revenue of construction contracts; the value of services rendered; and rental income received and receivable from investment properties during the relevant periods.

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	Unaudited	Unaudited
Revenue		
EPC Projects	28,242	570
Construction Projects	–	144
Equipment Projects	28	4,147
Service Concession Arrangement	10,157	11,240
Others	8,796	1,731
	47,223	17,832
Other income		
Bank interest income	817	507
Rental income	2,436	1,649
Exchange gain	–	258
	3,253	2,414

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

5. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Cost of inventories sold	—	307
Cost of construction contracting	7,987	2,312
Cost of services provided	30,111	8,808
Depreciation of property, plant and equipment	177	139
Auditors' remuneration	464	500
Employee benefit expense (including Directors' and chief executive's remuneration):		
Wages and salaries	4,409	4,793
Pension scheme contributions	426	546
Equity-settled share based payments	651	1,091
	5,486	6,430
Foreign exchange differences, net	181	(258)
Bank interest income	(817)	(495)

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Interest on borrowings	261	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

7. SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Scheme**”) for the purpose of providing incentives and/or rewards to eligible persons thereunder for their contributions to the Group. Eligible persons of the Scheme include current employees, executives or officers of the Group or Directors (including non-executive and independent non-executive Directors).

Subject to the conditions of the Scheme, the Scheme shall be valid and effective for a period of 10 years from 17 June 2022 (the “**Adoption Date**”), after which period no further share options may be offered or granted but the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any share options which have been granted and remain outstanding.

The maximum number of shares of the Company (the “**Shares**”) which may be issued pursuant to the Scheme is 18,000,000 Shares, representing 6% of the total number of Shares in issue as at the Adoption Date. Upon adoption of the Scheme or any other share option scheme by the Company, the maximum number of Shares which may be issued upon exercise of share options to be granted under the Scheme, the new and other existing share option schemes of the Company shall not exceed 10% of the total number of issued Shares. The maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

The eligibility of any of the eligible persons shall be determined by the Directors from time to time on the basis of the Directors’ opinion as to such eligible persons’ contribution to the development and growth of the Group. The Board will assess the eligibility of the eligible persons based on various factors such as performance conditions, targets to be achieved and potential and/or actual contribution to the business affairs of and benefits to the Group. The inclusion of the Directors and employees as eligible persons is in line with the objectives of the Scheme, which include attracting and retaining quality personnel and motivating them to contribute to the continued growth of the Group.

An offer shall be made to an eligible person in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the name, address and position of the eligible person, the number of Shares to be issued upon the exercise of the share options in respect of which the offer is made and the exercise price for such Shares, the exercisable period of share options, the last date by which the offer must be accepted, the procedure for acceptance, the vesting conditions, the vesting period, the applicable vesting date and other terms and conditions of the offer as may be imposed by the Directors, and further requiring the eligible person to undertake to hold the share option on the terms on which it is to be granted and to be bound by the provisions of the Scheme and shall remain open for acceptance by the eligible person for a period of up to 10 days from the grant date.

An offer shall have been accepted by an eligible person in respect of the Shares which are offered to such eligible person when the duplicate letter comprising acceptance of the offer duly signed by the eligible person together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 10 days from the grant date). Such remittance shall in no circumstances be refundable.

Upon an offer being accepted by an eligible person, the share options to which the offer relates will be deemed to have been granted by the Company to such eligible person on the grant date. To the extent that the offer is not accepted within the time specified in the offer, it will be deemed to have been irrevocably declined.

The exercise price of the share options granted under the Scheme shall be the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on grant date, which must be a business day; and (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the grant date.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

7. SHARE OPTION SCHEME (continued)

Subject to fulfilment of the vesting conditions to be imposed by the Board at its sole and absolute discretion, the share options granted to a grantee will be vested in the grantee at the following ratios on the date of issuance of the audited financial report of the Group for the relevant financial year:

- (a) the first financial year immediately following the year of the grant date, 40% of the total number of share options granted to the grantee;
- (b) the second financial year immediately following the year of the grant date, 30% of the total number of share options granted to the grantee; and
- (c) the third financial year immediately following the year of the Grant Date, 30% of the total number of share options granted to the grantee.

If the vesting conditions are not fulfilled for a relevant financial year, the corresponding portion of share options granted will lapse.

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

The following share options were outstanding under the Scheme during the Period:

	Weighted average exercise price <i>HK\$ per share</i>	Number of options
At 1 January 2025	11.90	1,200,000
Granted during the Period	—	—
At 30 June 2025	11.90	1,200,000

The exercise price and exercise period of the share options outstanding as at the end of the reporting period are as follows:

Number of options	Exercise price* <i>HK\$ per share</i>	Exercise period
480,000	11.90	Date of issuance of the audited financial report for the year ended 31 December 2023 to 28 June 2032
360,000	11.90	Date of issuance of the audited financial report for the year ended 31 December 2024 to 28 June 2032
360,000	11.90	Date of issuance of the audited financial report for the year ended 31 December 2025 to 28 June 2032
1,200,000		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

7. SHARE OPTION SCHEME (continued)

The fair value of the share options granted on 29 June 2022 was approximately of HK\$9,154,000, of which the Group recognised a share option expense of approximately HK\$713,000 (equivalent to RMB651,000) during the six months ended 30 June 2025.

The fair value of equity-settled share options granted during the Period was estimated as at the date of grant, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	30 June 2025
Dividend yield (%)	0%
Expected volatility (%)	44.186%
Risk-free interest rate (%)	3.36%
Weighted average share price (HK\$ per share)	1.19

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the Period, the Company had 1,200,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,200,000 additional ordinary Shares of the Company and additional share capital of HK\$14,280,000 (before issue expense).

At the date of approval of these consolidated financial statements, the Company had 1,200,000 share options outstanding under the Scheme, which represented approximately 4% of the Company's Shares in issue as at that date.

8. INCOME TAX

The statutory rate of Hong Kong profits tax was 16.5%, (2024: 16.5%) on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax was made as the Group has no assessable profits arising in Hong Kong for the six months ended 30 June 2025 (2024: Nil).

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Pursuant to the income tax laws of the People's Republic of China (the "PRC" or "China") and the relevant regulations, the subsidiary which operates in the PRC is subject to corporate income tax at a rate of 25% on the taxable income. Preferential tax treatment is available to the Group's principal operating subsidiary, Guangzhou Great Water Environmental Protection Co., Ltd., since it was recognised as a High and New Technology Enterprise in the PRC and a lower PRC corporate income tax rate of 15% had been applied during the period ended 30 June 2025 and the corresponding period in 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

8. INCOME TAX (continued)

Pursuant to the income tax laws of Vietnam and the relevant regulations, the subsidiary which operates in Vietnam is subject to corporate income tax at a rate of 20% on the taxable income.

	For the six months ended 30 June	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Current – Elsewhere other than Hong Kong	132	582
Deferred	(2)	–
Total tax charge for the Period	130	582

9. DIVIDENDS

The Directors do not recommend payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

10. EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earning/(loss) per share for the six months ended 30 June 2025 is based on the profit attributable to ordinary equity holders of approximately RMB1,996,000 (2024: loss attributable to ordinary equity holders of approximately RMB814,000).

As there were no potentially dilutive shares for the six months ended 30 June 2025 and 2024, the diluted loss per share was the same as basic loss per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

10. EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

The calculation of basic and diluted earning/(loss) per Share is based on:

	For the six months ended 30 June	
	2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Profit/(Loss)		
Profit/(Loss) attributable to ordinary equity holders of the Company, used in the basic/diluted earning/(loss) per Share calculation:	1,996	(814)
	Number of shares	
	2025	2024 (Restated)
No. of shares		
Weighted average number of ordinary shares in issue (thousand)	33,737	31,937

The weighted average number of ordinary shares for the purpose of basic earning/(loss) per share has been adopted retrospectively for the effect of the share consolidation completed on 6 December 2024.

11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 RMB'000 Unaudited	As at 31 December 2024 RMB'000 Audited
Trade receivables	79,206	87,533
Provision for loss allowance	(36,075)	(36,075)
	43,131	51,458

Trade receivables represented the outstanding contracted value for the sale of goods, construction contracts and rendering of services receivable from the customers at each of the reporting dates. The Group's trading terms with its customers are mainly on credit. Tax invoices are issued to the customers based on agreed schedules and the Group's trade receivables are subject to various credit terms. The credit period granted to the customers is 30 days from the date of issuing tax invoice, extending up to the date of final acceptance of the whole project for certain customers. For retention monies receivable in respect of construction work carried out by the Group, the due dates are usually one year after the completion of the construction work. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risks. Overdue balances are reviewed regularly by senior management. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

11. TRADE AND BILLS RECEIVABLES (continued)

An aged analysis of the trade receivables as at the end of the Period, based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2025 RMB'000 Unaudited	As at 31 December 2024 RMB'000 Audited
0–30 days	17,951	29,158
31–90 days	2,262	3,131
91–365 days	10,054	1,254
1–2 years	7,077	10,236
2–3 years	3,604	5,496
Over 3 years	2,183	2,183
	43,131	51,458

12. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the Period, based on the date of receipt of goods, is as follows:

	As at 30 June 2025 RMB'000 Unaudited	As at 31 December 2024 RMB'000 Audited
0–30 days	7,957	9,683
31–90 days	335	1,459
91–365 days	10,372	778
Over 1 year	68,536	75,871
	87,200	87,791

The trade payables are unsecured, non-interest-bearing and are normally settled in 30 to 90 days.

13. COMMITMENTS

As at 30 June 2025, the Group contracted commitments of approximately RMB10,704,000 (31 December 2024: RMB3,547,000) on EPC Projects and Construction Projects. It mainly represents the procurement of plant and machinery and construction materials.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

14. RELATED PARTY TRANSACTIONS

- (a) The Group's balances with the Directors are included in other payables. All the balances are unsecured, interest-free and repayable on demand. Details are as follows:

	As at 30 June 2025 RMB'000 Unaudited	As at 31 December 2024 RMB'000 Audited
Mr. Xie Yang	30	30
Mr. He Xuan Xi	29	29
Mr. Tse Chi Wai	–	28
Mr. Ha Cheng Yong	–	28
Ms. Bai Shuang	–	28
	59	143

- (b) Compensation of key management personnel of the Group:

	For the six months ended 30 June 2025 RMB'000 Unaudited	2024 RMB'000 Unaudited
Short term employee benefits	900	1,189

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a wastewater and drinking water treatment engineering services provider in the PRC. The Group is principally engaged in the provision of engineering services for wastewater and drinking water treatment facilities. The Group acts either as the contractor, which is responsible for the whole project from launch to final operational management (the “**EPC Projects**”), or as the equipment contractor, which is responsible for providing technical advice and equipment procurement services for the project (the “**Equipment Projects**”). Since mid-2020, the Group started operating a sludge treatment service concession arrangement (the “**Service Concession Arrangement**”) in a wastewater treatment plant located in Guangzhou, the PRC. The Group is also engaged in other environmental protection projects, the provision of operating and maintenance services (the “**O&M Projects**”) for customers in connection with the management of wastewater treatment and drinking water treatment facilities, as well as consultation services in relation to the improvement of wastewater and drinking water treatment facilities of various constructions.

During the Period, the revenue of the Group increased by approximately RMB29,391,000, or 164.8% to approximately RMB47,223,000 as compared to the corresponding period in 2024. During the Period, the Group recognised approximately RMB28,242,000 in revenue from the EPC Projects, approximately RMB28,000 in revenue from the Equipment Project, approximately RMB10,157,000 in revenue from the Service Concession Arrangement and approximately RMB8,796,000 in revenue from others. In comparison, approximately RMB570,000 in revenue from the EPC Projects, approximately RMB144,000 in revenue from the construction project (the “**Construction Project**”), approximately RMB4,147,000 in revenue from the Equipment Projects, approximately RMB11,240,000 in revenue from the Service Concession Arrangement and approximately RMB1,731,000 in revenue from the O&M Projects were recognised in the corresponding period in 2024.

Profits attributable to owners of the Company for the Period amounted to approximately RMB1,996,000 which compared to loss attributable to owners of the Company of approximately RMB814,000 in the corresponding period in 2024. The increase in revenue and the change to profit attributable to owners of the Company is mainly attributable to the Group’s new projects in Vietnam has commenced at the end of 2024 and hence more revenue was recognised during the Period.

OUTLOOK

On the environmental protection business front, as previously mentioned, the Group has increased its investment in human resources and operations in Vietnam. Headquarters staff have also enhanced communication and interaction with the Vietnam branch, providing more support to it. In the first half of this year, the Group achieved relatively strong performance in Vietnam. As the focus of the environmental protection business increasingly shifts toward Vietnam, the Group believes that Vietnam will gradually become one of the key markets for the Group’s sustained development.

As for local customers, apart from continuing to handle service concession arrangement projects and other environmental protection projects as usual, the Group has been more prudent in handling new engineering, procurement and construction project business from local customers. Accordingly, the Group has been more selective in choosing clients, favoring large enterprises, and has signed new contracts this year. On the other hand, the Group has also allocated more resources to service concession arrangements and other environmental protection projects, which carry relatively lower cash flow risks compared to engineering, procurement and construction projects. Nevertheless, the Group continues to focus on the Greater Bay Area in China and will continue to monitor the operational status of our clients while maintaining communication with new clients. The Group believes that when the positive effects of economic recovery become more favorable, it will be able to deliver better and more robust performance in familiar markets (such as the Greater Bay Area) and with familiar customers.

Starting this year, the Group has also entered the property leasing market and successfully secured related projects in July 2025. Similar to the data business market the Group entered earlier, compared to the Group’s traditional core businesses, the property leasing market aligns more closely with the characteristics of a “consumer market”. Although the direct clients of property leasing may not necessarily be “individual consumers,” due to the nature of its operations, it is closely related to “individual consumers”, resulting in a broader market and clients with stronger payment capabilities. Furthermore, final consumption expenditure remains one of the primary drivers of GDP growth at the moment. Therefore, the Group believes that, under the principle of prudence, by prioritizing factors such as the geographical location and current operational status of property leasing projects, and leveraging the Group’s many years of experience in managing its own property rentals, revenue from property leasing can serve as an effective supplement to the revenue from the Group’s core business.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the data business, the Group continued to record approximately RMB6.6 million in operating revenue in the first half of the year. Based on a series of preparations commenced last year, the data business is expected to see greater development in the second half of the year, which is anticipated to bring more performance contributions to the Group.

While the Group's traditional businesses continue to primarily serve traditional industries, in the context of China's economic recovery, the Group believes that the Group should adapt to the latest economic conditions in China, prioritize stability, and actively seek growth. Therefore, having achieved profitability in the first half of the year, the Group will maintain a cautious yet pragmatic approach. At the same time, the Group believes it should: (i) strengthen the development of the Group's traditional businesses in Vietnam; (ii) closely monitor economic trends in the Greater Bay Area, paying attention to both traditional and new businesses; and (iii) consider the data business and property leasing business as new growth points.

FINANCIAL REVIEW

Operating revenue

For the Period, the Group's operating revenue amounted to approximately RMB47,223,000, representing an increase of approximately 164.8% or RMB29,391,000 as compared to the corresponding period in 2024.

EPC Projects and Construction Projects

For the EPC Projects, the Group assumes the role of main contractor in charge of overall project management of constructing a treatment plant from launch to operation for a predetermined contract amount. As an engineering, procurement and construction contractor, the Group provides engineering design of the treatment facilities, procure necessary raw materials and appoint sub-contractors to construct the facilities. The Group also engages in construction projects related to other environmental protection sectors (such as soil remediation projects and flue gas treatment projects, involving the provision of engineering and procurement services for the project owner).

– *Revenue relating to EPC Projects*

For the Period, the revenue generated from the EPC Projects was approximately RMB28,242,000 (2024: approximately RMB570,000), representing an increase of approximately 4,854.7% or RMB27,672,000 over the corresponding period in 2024. The increase in the revenue was primarily attributable to the a large-sized EPC project in Vietnam has commenced at the end of 2024 and generated the progress income of approximately RMB28,242,000 during the Period.

– *Revenue relating to Construction Projects*

For the Period, no revenue was generated from the Construction Projects (2024: RMB144,000).

Equipment Projects

For Equipment Projects, the Group mainly provides procurement services to a pre-defined section of a project. In determining the equipment and machinery best suited for the project operator's requirements, the Group's technical team often needs to work closely with the customer in identifying, evaluating and selecting different equipment before the procurement team comes into play.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Period, approximately RMB28,000 was generated from the Equipment Projects (2024: RMB4,147,000). The revenue in the first half of 2025 was derived from one Equipment Project in Guangzhou City (2024: two) for wastewater treatment equipment.

Service Concession Arrangement

For the Service Concession Arrangement, the Group acquired a sludge treatment project in a wastewater treatment plant located in Dashadi from Guangzhou Sewage in the third quarter of 2018. The Group, as a contractor, is responsible for the development, construction and operation of the sludge treatment project for a term of 10 years. The construction of the project was completed and the plant passed the official examination in mid-2020 and since then, the Group has commenced its operation.

For the Period, the revenue generated from the Service Concession Arrangement segment amounted to approximately RMB10,157,000 (2024: approximately RMB11,240,000), representing a decrease of approximately 9.6% or RMB1,083,000 as compared to the corresponding period in 2024. The decrease in revenue was primarily attributable to the recognition of revenue of approximately RMB10,157,000 in service income for the Service Concession Arrangement in the first half of 2025, while the corresponding revenue in the first half of 2024 was the revenue of approximately RMB11,240,000 for the recognition of service income for the Service Concession Arrangement in the corresponding period in 2024.

Others

The revenue under the other segment included revenue attributable to (i) O&M Projects and technical advisory services and (ii) provision of online advertising and related services. As at 30 June 2025, the Group had three wastewater treatment O&M Projects and three drinking water treatment O&M Projects on hand.

For the Period, the revenue generated from rendering of maintenance services amounted to approximately RMB2,192,000 (2024: approximately RMB1,731,000), representing an increase of approximately 26.6% or RMB461,000 as compared to the corresponding period in 2024. The increase was primarily attributable to (i) O&M Projects which contributed approximately RMB2,192,000 in revenue in the first half of 2025 from one sludge treatment O&M project, three wastewater treatment O&M Projects and two drinking water treatment O&M Projects as compared to approximately RMB1,731,000 in revenue in the corresponding period in 2024 from one sludge treatment O&M project, two wastewater treatment O&M Projects and two drinking water treatment O&M Projects. In addition, revenue generated from provision of online advertising and related services amounted to approximately RMB6,604,000 during the Period (2024: Nil).

Other income and gains

For the Period, other income and gains amounted to approximately RMB3,253,000 (2024: approximately RMB2,414,000), representing an increase of approximately 34.8% or approximately RMB839,000 as compared to the corresponding period in 2024. The increase was primarily attributable to (i) increase in bank interest income by approximately RMB310,000; (ii) increase in rental income by approximately RMB787,000.

Cost of sales

For the Period, the cost of sales of the Group amounted to approximately RMB38,098,000 (2024: approximately RMB11,427,000), representing an increase of approximately 233.4% or approximately RMB26,671,000 as compared to the corresponding period in 2024.

The increase in cost of sales was primarily in line with an increase in revenue from a new large-sized EPC project in Vietnam. The cost of inventories sold decreased to approximately Nil for the Period from approximately RMB307,000 for the corresponding period in 2024. The cost of contracting increased to approximately RMB7,987,000 for the Period from approximately RMB2,312,000 for the corresponding period in 2024. The cost of services provided increased to approximately RMB30,111,000 for the Period from approximately RMB8,808,000 for the corresponding period in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit

For the Period, the Group recorded gross profit of approximately RMB9,125,000 (2024: approximately RMB6,405,000), representing an increase of approximately 42.5% or approximately RMB2,720,000 as compared to the corresponding period in 2024. The increase in gross profit of the Group was mainly because a new large-sized EPC project in Vietnam has commenced at the end of 2024 and contributed to the increase in the overall revenue and gross profit for the Period.

Selling and distribution expenses

For the Period, the selling and distribution expenses of the Group amounted to approximately RMB1,293,000 (2024: approximately RMB615,000), representing an increase of approximately 110.2% or approximately RMB678,000 compared to the corresponding period in 2024. The increase in the selling and distribution expenses was mainly attributed to (i) the increase in salaries and employee benefit of approximately RMB34,000; (ii) the increase in business travelling expenses of approximately RMB17,000; and (iii) the increase in repair and maintenance expenses of approximately RMB312,000.

Administrative expenses

For the Period, the administrative expenses of the Group amounted to approximately RMB8,705,000 (2024: approximately RMB8,436,000), representing an increase of approximately 3.2% or approximately RMB269,000 compared to the corresponding period in 2024. The increase in the administrative expenses was mainly attributed to the net effect of (i) the increase in office expenses of approximately RMB430,000 and (ii) the decrease in entertainment expense of approximately RMB411,000.

Profit/(loss) for the Period

For the Period, the profit for the Period amounted to approximately RMB1,996,000 as compared to the loss of approximately RMB814,000 for the corresponding period in 2024. The profit for the Period is mainly attributable to the Group's new large-sized EPC projects in Vietnam were commenced at the end of 2024 and more revenue was recognised during the Period.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Shares were listed (the “**Listing**”) on the GEM of the Stock Exchange on 9 December 2015. Since then, there has been no change in the capital structure of the Group. The capital of the Group comprises ordinary Shares only.

As at 30 June 2025, the total equity attributable to the Company's shareholders (the “**Shareholders**”) was approximately RMB81,200,000 (31 December 2024: approximately RMB75,536,000). The Group's cash and bank balances amounted to approximately RMB62,047,000 (31 December 2024: approximately RMB72,333,000). The Group's net current assets was approximately RMB34,308,000 (31 December 2024: net current assets of approximately RMB28,378,000). Based on the Group's existing cash and cash equivalents on hand and bank facilities available to the Group, the Group has adequate financial resources to fund the working capital required for its operation in the coming year. There was no hedging through any financial instruments.

During the Period, the Group's cash and cash equivalents were mainly denominated in RMB, Hong Kong dollars and United States dollars and were placed in reputable financial institutions as deposits with maturity dates falling within one year. This is in line with the Group's treasury policy to maintain liquidity of its funds whilst contributing to the stable income to the Group.

There was no banking facilities as at 30 June 2025 (31 December 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has completed a placing of new shares under general mandate during the Period.

Reference is made to the Company's announcements dated 11 April 2025 and 14 April 2025 in relation to placing of new shares under general mandate. The Company entered into the Placing Agreement dated 11 April 2025 and the Supplemental Agreement dated 14 April 2025 with the Placing Agent pursuant to which the Company appointed the Placing Agent as its agent to procure not less than six Placees to subscribe up to 6,387,480 Placing Shares at a price of HK\$0.260 per Placing Share on a best effort basis on the terms and subject to the condition of the Placing Agreement. As a result, an aggregate of 6,000,000 Placing Shares have been successfully placed and the Completion took place on 7 May 2025. The net proceeds from the Placing are approximately HK\$1.50 million had been fully used as general working capital of the Group.

GEARING RATIO

As at 30 June 2025, the Group's gearing ratio (being the net debt of the Group divided by its total capital plus net debt) was 43% (31 December 2024: 41%). Net debt of the Group includes interest-bearing bank borrowing, trade payables and other payables and accruals, less cash and bank balances. Capital represents equity attributable to owners of the Company.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

There were no significant investments held by the Group as at 30 June 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND JOINT VENTURES

Save as those disclosed in this report, the Group did not have any material acquisitions or disposals of subsidiaries and joint ventures during the Period.

COMMITMENTS

The contractual operating commitments of the Group were primarily related to the purchases of items of equipment for projects. As at 30 June 2025, the Group's contractual operating commitments amounted to approximately RMB10,704,000 (31 December 2024: approximately RMB3,547,000).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in this report, the Group does not have any plans for material investments or additions of capital assets as at the date of this report.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have material contingent liabilities.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2025 and 31 December 2024, as the Group did not have any banking facilities, there were no pledges on the Group's buildings, investment properties and leasehold land to secure general banking facilities.

FOREIGN EXCHANGE EXPOSURE

The Group's main operations are in the PRC with most of its transactions settled in RMB. The Directors are of the opinion that the Group's exposure to foreign exchange risk is insignificant. During the Period, the Group did not hedge its exposure to foreign exchange risk.

ADVANCES TO AN ENTITY

As at 30 June 2025, the Group did not provide any advances to any entity outside the Group.

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDERS

As at 30 June 2025, there was no pledging of Shares by the controlling Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

LOAN AGREEMENTS OF THE GROUP

As at 30 June 2025, the Group did not enter into any loan agreement with covenants relating to specific performance of the controlling Shareholders.

During the Period, the Group did not breach any terms of agreement in respect of any loan that is significant to the Group's operations.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

As at 30 June 2025, the Group did not provide any financial assistance or guarantee to affiliated companies of the Group.

SHARE OPTION SCHEME

On 17 June 2022, the Company adopted a share option scheme (the “**Share Option Scheme**”) in accordance with Chapter 23 of the GEM Listing Rules. For principal terms of the Share Option Scheme, please refer to the circular of the Company dated 25 May 2022. On 29 June 2022, the Company granted 18,000,000 share options (the “**Option(s)**”) to certain Directors and employees of the Company to subscribe for an aggregate of 18,000,000 Shares pursuant to the terms of the Share Option Scheme.

No employees have been granted and will be granted in excess of the 1% individual limit.

Details of the Share Option Scheme

(1) **Purposes**

The purposes of the Share Option Scheme are to (i) motivate the eligible persons to work hard for the Group's future development by providing them with an opportunity to acquire the Shares, thereby promoting long-term stable development of the Group; (ii) provide the eligible persons with incentives and/or rewards for their contributions to the Group; and (iii) enhance the Group's ability to attract and retain individuals with outstanding skills and extensive experience.

(2) **Participants**

The eligible persons to be granted Options under the Share Option Scheme include (i) any current employee, executive or officer of the Group; or (ii) any Director (including non-executive Director and independent non-executive Director) of the Company whom the Board or its authorized person considers at its sole discretion has made or will make contributions to the Group. The Board will have the sole discretion to consider and determine which eligible persons are to be granted Options based on the Directors' opinion as to such eligible persons' contribution to the development and growth of the Group.

(3) **The maximum number of Shares available for issue**

The total number of Shares which may be issued upon exercise of all Options granted or to be granted under the Share Option Scheme shall not in aggregate exceed 18,000,000 Shares, representing 6% of the total number of Shares in issue as at the date of the adoption of the Share Option Scheme.

(4) **The maximum entitlement of each participant**

Grant of Options to non-connected persons

Subject to the paragraph below in relation to the grant of Options to connected persons, the total number of Shares issued and which may fall to be issued upon exercise of Options under the Share Option Scheme and the share options granted under any other share option schemes of the Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of Options to a grantee under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all Options granted and proposed to be granted to such person (including exercised, cancelled and outstanding Options) under the Share Option Scheme and any other share option scheme of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such grantees and their close associates (or his associates if the participant is a connected person) abstaining from voting.

MANAGEMENT DISCUSSION AND ANALYSIS

Grant of Options to core connected persons

The granting of any Option to any Director, chief executive or substantial Shareholder or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Option).

In addition, where any grant of Options to a substantial shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (1) representing in aggregate over 0.1% of the Shares in issue as at the date of grant; and
- (2) having an aggregate value, based on the closing price of the Shares on the offer date of each grant, in excess of HK\$5 million;

such further grant of Options must be approved by the Shareholders in general meeting. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

(5) Time of acceptance and exercise of Options

An Option may, subject to the terms and conditions upon which such Option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the Option is there by exercised and the number of Shares in respect of which it is exercised. An Option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the Option is deemed to be granted and accepted. The period during which an Option may be exercised will be determined by the Board in its absolute discretion, save that no Option may be exercised more than 10 years after the date of grant.

(6) Vesting Period

The vesting period under the Share Option Scheme is 3 years at the following ratios on the date of issuance of the audited financial report of the Group for the relevant financial year:

- (a) the first financial year immediately following the year of the grant date, 40% of the total number of share options granted to the grantee;
- (b) the second financial year immediately following the year of the grant date, 30% of the total number of share options granted to the grantee; and
- (c) the third financial year immediately following the year of the Grant Date, 30% of the total number of share options granted to the grantee.

If the vesting conditions are not fulfilled for a relevant financial year, the corresponding portion of share options granted will lapse.

MANAGEMENT DISCUSSION AND ANALYSIS

(7) Exercise price for the Shares

The exercise price of the Options granted under the Share Option Scheme shall be the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(8) Grant offer letter and notification of grant of Options

An offer shall be deemed to have been accepted and the Option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate letter comprising acceptance of the offer duly signed by the grantee with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer, which must be received by the Company within ten business days from the date of grant. Such remittance shall in no circumstances be refundable.

To the extent that the offer is not accepted within the time specified in the offer, it will be deemed to have been irrevocably declined.

(9) The duration of the Share Option Scheme

The Share Option Scheme shall be valid and effective for the period of 10 years from the date of adoption of the Share Option Scheme (after which, no further Options shall be offered or granted under the Share Option Scheme), but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto and remain outstanding. As at the date of this report, the remaining life of the Share Option Scheme is approximately 7 years.

Name of grantee	Date of grant	Exercise period	Vesting period	Exercise price (HKD)	Balance as at 1 January 2025	Granted during the Period	Exercised during the Period	Cancelled/ forfeited/ lapsed during the Period	Balance as at 30 June 2025
Mr. XIE Yang	29 June 2022	Date of issuance of the audited financial report for the year ended 31 December 2023 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2023	11.9	120,000	–	–	–	120,000
		Date of issuance of the audited financial report for the year ended 31 December 2024 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2024	11.9	90,000	–	–	–	90,000
		Date of issuance of the audited financial report for the year ended 31 December 2025 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2025	11.9	90,000	–	–	–	90,000

MANAGEMENT DISCUSSION AND ANALYSIS

Name of grantee	Date of grant	Exercise period	Vesting period	Exercise price (HKD)	Balance as at 1 January 2025	Granted during the Period	Exercised during the Period	Cancelled/ forfeited/ lapsed during the Period	Balance as at 30 June 2025
Mr. HE Xuan Xi	29 June 2022	Date of issuance of the audited financial report for the year ended 31 December 2023 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2023	11.9	40,000	–	–	–	40,000
		Date of issuance of the audited financial report for the year ended 31 December 2024 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2024	11.9	30,000	–	–	–	30,000
		Date of issuance of the audited financial report for the year ended 31 December 2025 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2025	11.9	30,000	–	–	–	30,000
Other Employees	29 June 2022	Date of issuance of the audited financial report for the year ended 31 December 2023 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2023	11.9	320,000	–	–	–	320,000
		Date of issuance of the audited financial report for the year ended 31 December 2024 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2024	11.9	240,000	–	–	–	240,000
		Date of issuance of the audited financial report for the year ended 31 December 2025 to 28 June 2032	From the date of grant to the date preceding the date of issuance of the audited financial report for the year ended 31 December 2025	11.9	240,000	–	–	–	240,000

Note: For further details of the grant of Options, please refer to the announcement of the Company dated 29 June 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Given that the maximum number of Shares which may be issued pursuant to the Share Option Scheme is 18,000,000 Shares, and the Company granted 18,000,000 Options (representing equal number of Shares issuable) under the Share Option Scheme on 29 June 2022, no more Options are available for grant under the Share Option Scheme as at 1 January 2025 and 30 June 2025, respectively.

Given no Options were exercised during the Period, it is not applicable for the Company to set out the number of Options exercised during the Period with the exercise price and the weighted average closing price of the Shares immediately before the dates on which the Options were exercised as required under Rule 23.07(1)(d) GEM Listing Rules.

Given no Options were granted during the Period, it is not applicable for the Company to set out the number of Shares that may be issued in respect of Options granted under the Share Option Scheme during the Period divided by the weighted average number of Shares of the Shares in issue for the Period as required under Rule 23.07(3) GEM Listing Rules.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 48 employees (31 December 2024: 39 employees). Employee costs amounted to approximately RMB4.8 million for the six months ended 30 June 2025 (2024: approximately RMB5.5 million). The Group endeavours to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' remuneration is determined based on their performance.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of 60% equity interest in Target Company

Reference is made to the Company's announcements 11 July 2025 and 15 July 2025 in relation to a discloseable transaction regarding an acquisition of 60% equity interest in Target Company. On 11 July 2025, the Group entered into the Investment Agreement with (i) Mr. Li, Mr. Jiang and Mr. Cai (all of whom being the Existing Shareholders of the Target Company and hold 35%, 32.5% and 32.5% of the equity interests of the Target Company, respectively, as at the date of this report) and (ii) the Target Company. Pursuant to the Investment Agreement, the Investor has conditionally agreed to inject the total amount of RMB10,000,000 to the registered capital of the Target Company by way of cash contribution. In addition, the Investor has conditionally agreed to acquire (i) 7.5% of the enlarged equity interest in the Target Company from Mr. Li at a consideration of RMB1,500,000; (ii) 1.25% of the enlarged equity interest in the Target Company from Mr. Jiang at a consideration of RMB250,000; and (iii) 1.25% of the enlarged equity interest in the Target Company from Mr. Cai at a consideration of RMB250,000.

Upon Completion, the Target Company will be held as to 60%, 15%, 15% and 10% of the enlarged equity interests by the Investor, Mr. Jiang, Mr. Cai and Mr. Li, respectively, and the registered capital of the Target Company will be increased from RMB10,000,000 to RMB20,000,000. Accordingly, the Target Company will become an indirect non-wholly owned subsidiary of the Company, and its financial results, assets and liabilities will be consolidated into the consolidated financial statements of the Group.

Placing of new shares under general mandate

Reference is made to the Company's announcement dated 5 August 2025 in relation to placing of new shares under general mandate. On 5 August 2025, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent as its agent to procure not less than six Placees to subscribe up to 7,587,480 Placing Shares at a price of HK\$0.730 per Placing Share on a best effort basis on the terms and subject to the condition of the Placing Agreement. The conditions precedent set out in the Placing Agreement have been fulfilled and the Completion took place on 22 August 2025. The net proceeds from the placing are approximately HK\$5.46 million which are intended to use as general working capital of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining good corporate governance standard, with the chairman being primarily responsible for establishing relevant practices and procedures. The Board believes that good corporate governance standard will provide a framework for the Group to formulate its business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen accountability to shareholders and creditors. Therefore the Board has reviewed and will continue to review and improve the Company's corporate governance practices from time to time.

The Company adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix 15 to the GEM Listing Rules as its own code of corporate governance. Save for code provision C.2.1 of the CG Code, that the roles of the chairman and chief executive officer of the Company should be separate and should not be performed by the same individual, the Board is satisfied that the Company had complied with the CG Code for the Period. Mr. Xie Yang (“**Mr. Xie**”) is chairman and the chief executive officer of the Company. With extensive experience in the wastewater and water treatment engineering services industry, Mr. Xie is responsible for the Group's overall strategic planning and management of its business. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group given Mr. Xie's expertise in wastewater and water treatment engineering and thus will allow Mr. Xie to provide strong and consistent leadership capabilities to the Group. Furthermore, the balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced individuals, in overseeing different aspects of the Company's affairs and thereby provides adequate safeguards to ensure the balance of power and authority. The Board is comprised of five executive Directors (including Mr. Xie) and three independent non-executive Directors during the Period and therefore has sufficient independent elements in its composition.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the Period, none of the Directors had material interests, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders nor any of their respective close associates (as defined under the GEM Listing Rules) that competes or may compete, either directly or indirectly, with the business of the Group, or of any other conflicts of interest which any such person has or may have with the Group during the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the ordinary Shares, underlying Shares and debentures of the Company or any of its associated corporation (as defined in Part XV of the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register of the Company pursuant to section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in the underlying Shares

Name of Director	Capacity	Number of the underlying Shares	Approximate percentage of shareholding of the issued share capital of the Company (Note)
Mr. XIE Yang	Beneficial Owner	300,000	0.79%
Mr. HE Xuan Xi	Beneficial Owner	100,000	0.26%

Note:

The percentage is calculated based on 37,937,400 Shares in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executive of the Company had any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register of the Company pursuant to section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 30 June 2025, so far as the Directors are aware, the interests or short positions owned by the following persons (other than the Directors or chief executive of the Company) in the Shares or underlying Shares of the Company which are required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register of the Company required to be kept under section 336 of the SFO are as follows:

Long positions in the Shares

Name of shareholder(s)	Capacity	Number of Ordinary Shares (Note 1)	Approximate percentage of the total number of Shares in issue
Able Talent Asia Limited	Beneficial owner	5,100,000 (L)	13.44%
Direct Profit Enterprises Limited	Beneficial owner	2,700,000 (L)	7.12%

Note:

1. The letter "L" denotes a long position.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executive of the Company) in the Shares or underlying Shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors, its employees, and the directors and employees of its subsidiaries and holding companies, who may likely possess inside information on the Company or its securities, on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**"). The Company had made specific enquiry of all the Directors, and each of them has confirmed that he/she was in compliance with the Required Standard of Dealings during the Period.

REVIEW OF FINANCIAL STATEMENT

During the Period, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Yam Yuet Hang, Ms. Yang Yucheng and Dr. Chang Cheng Hui. Mr. Yam Yuet Hang is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting policies and practices adopted by the Group and has discussed with the management of the Company on the financial reporting matters including review of the unaudited condensed consolidated financial statements of the Group for the Period and the interim results of the Group for the Period, and is of the view that the interim results have complied with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

By order of the Board
Futian Holdings Limited
XIE Yang
Chairman and Chief Executive Officer

Guangzhou, the PRC, 28 August 2025

As at the date of this report, the executive Directors are Mr. XIE Yang, Mr. HE Xuanxi, Ms. LIU Chujun and Mr. HUANG Shipping; and the independent non-executive Directors are Mr. YAM Yuet Hang, Mr. YANG Yucheng and Dr. CHANG Cheng Hui.