



HONBRIDGE HOLDINGS LIMITED  
洪橋集團有限公司  
(Stock Code: 8137)

EMBRACING CHANGE :  
**REDEFINING**  
OUR BUSINESS, OPENING  
**NEW**  
**HORIZONS**



ANNUAL REPORT  
**2025**

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This report, for which the directors (the “Directors”) of Honbridge 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.



Honbridge Holdings Limited  
Annual Report 2025

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Xu Zhihao  
(Chairman and Chief Executive Officer)  
Mr. Xu Bing  
Mr. Chen Shengjie  
Ms. Gu Wenting  
Mr. Liu Wei, William (Retired on 1 April 2025)

#### Non-Executive Director

Mr. Yan Weimin (Retired on 23 June 2025)

#### Independent Non-Executive Directors

Dr. Wang Jiwei (Appointed on 23 June 2025)  
Mr. Wang Baogang (Appointed on 23 June 2025)  
Mr. Huang Yongzhong (Appointed on 23 June 2025)  
Mr. Chan Chun Wai, Tony (Retired on 23 June 2025)  
Mr. Ma Gang (Retired on 23 June 2025)  
Mr. Ha Chun (Retired on 23 June 2025)

### COMPANY SECRETARY

Mr. Li Yat Ming (Appointed on 19 May 2025)  
Mr. Yeung Ho Ming (Resigned on 19 May 2025)

### AUTHORISED REPRESENTATIVES

Mr. Chen Shengjie  
Mr. Li Yat Ming (Appointed on 19 May 2025)  
Mr. Yeung Ho Ming (Resigned on 19 May 2025)

### AUDIT COMMITTEE

Dr. Wang Jiwei (Committee Chairman)  
(Appointed on 23 June 2025)  
Mr. Wang Baogang (Appointed on 23 June 2025)  
Mr. Huang Yongzhong (Appointed on 23 June 2025)  
Mr. Chan Chun Wai, Tony (Committee Chairman)  
(Ceased with effect from 23 June 2025)  
Mr. Ma Gang (Ceased with effect from 23 June 2025)  
Mr. Ha Chun (Ceased with effect from 23 June 2025)

### REMUNERATION COMMITTEE

Mr. Huang Yongzhong (Committee Chairman)  
(Appointed on 23 June 2025)  
Mr. Xu Bing (Appointed on 23 June 2025)  
Mr. Chen Shengjie  
Dr. Wang Jiwei (Appointed on 23 June 2025)  
Mr. Wang Baogang (Appointed on 23 June 2025)  
Ms. Gu Wenting (Ceased with effect from 23 June 2025)  
Mr. Ha Chun (Committee Chairman)  
(Ceased with effect from 23 June 2025)  
Mr. Ma Gang (Ceased with effect from 23 June 2025)  
Mr. Chan Chun Wai, Tony  
(Ceased with effect from 23 June 2025)

### NOMINATION COMMITTEE

Mr. Xu Zhihao (Committee Chairman)  
Ms. Gu Wenting (Appointed on 23 June 2025)  
Dr. Wang Jiwei (Appointed on 23 June 2025)  
Mr. Wang Baogang (Appointed on 23 June 2025)  
Mr. Huang Yongzhong (Appointed on 23 June 2025)  
Mr. Xu Bing (Ceased with effect from 23 June 2025)  
Mr. Chan Chun Wai, Tony  
(Ceased with effect from 23 June 2025)  
Mr. Ma Gang (Ceased with effect from 23 June 2025)  
Mr. Ha Chun (Ceased with effect from 23 June 2025)

### AUDITOR

BDO Limited

### PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Nanyang Commercial Bank, Limited  
Bank of China Limited  
Guangxi Beibu Gulf Bank Co., Ltd.  
Banco Santander (Brasil) S.A.

### REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion  
Hibiscus Way, 802 West Bay Road  
Grand Cayman  
KY1-1205 Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 5402, 54th Floor  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

### SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

### STOCK CODE

8137

### COMPANY WEBSITE

www.8137.hk

## FINANCIAL HIGHLIGHTS

### FINANCIAL POSITION:

	2025 HK\$000	2024 HK\$000
Total assets	<b>6,774,388</b>	5,687,421
Total liabilities	<b>2,485,662</b>	2,173,473
Net assets	<b>4,288,726</b>	3,513,948

### INCOME STATEMENT:

	2025 HK\$000	2024 HK\$000
Revenue	<b>231,043</b>	77,544
Gross profit	<b>9,520</b>	16,987
Loss for the year	<b>63,922</b>	441,345
Loss for the year attributable to owners of the Company	<b>46,738</b>	412,879

### FINANCIAL RATIOS:

	2025	2024
Gross profit margin	<b>4.1%</b>	21.9%
Current ratio	<b>2.02</b>	1.44
Gearing ratio #	<b>2.1%</b>	3.0%

# The gearing ratio of the Group was calculated as net debt (total borrowings (excluding lease liabilities)) divided by equity attributable to the owners of the Company.

## CHAIRMAN'S STATEMENT

On behalf of the Board, I hereby present the 2025 annual report of Honbridge Holdings Limited (the "Company", together with its subsidiaries collectively referred to as the "Group") to all shareholders.

For the year ended 31 December 2025 ("Year Ended 2025"), the Group recognised approximately HK\$231.0 million in revenue from continuing operations, representing a 198% increase when compared to the revenue of approximately 77.5 million recognised for the year ended 31 December 2024 ("Year Ended 2024").

Approximately 89% revenue of the Group was contributed by our ore trading business which is newly commenced during the financial year. The revenue generated from trading of ore was approximately HK\$205.3 million.

The revenue from continuing operations generated from selling lithium batteries decreased by approximately 67% from approximately HK\$77.5 million for the Year Ended 2024 to approximately HK\$25.7 million for the Year Ended 2025 due to the decrease in the number of orders from a major customer and the shift of market demand to higher-grade products.

For the Year Ended 2025, the loss for the year from continuing operations of the Company was approximately HK\$60.9 million (Year Ended 2024: loss of HK\$407.6 million). The decrease in losses was primarily due to no impairment provision related to exploration and evaluation assets in Brazil was recognized in Year Ended 2025.

The loss for Year Ended 2025 was mainly due to: (1) the loss of battery business segment of approximately HK\$30 million; (2) loss on financial assets measured at fair value through profit or loss of approximately HK\$19 million; and (3) the loss of the disposed online car-hailing services business of approximately HK\$3 million. Nevertheless, due to the commencement of ore trading business in the second half of 2025, such business recorded a profit of approximately HK\$11 million, offsetting certain portion of the administrative and other expenses in Brazil and Hong Kong.

In the Year Ended 2025, the Group implemented several strategic initiatives aimed at driving growth, streamlining operations, and focusing on our core business activities.

In January 2025, the Company entered into a bauxite purchase framework agreement with its parent company, Geely Technology Group Co. Ltd. Such ore trading business commenced operations in the second half of 2025, marking the beginning of a new business for the Company.

In March 2025, the Group disposed of the online-car hailing business. This decision was taken after careful consideration, as the business had not yet identified a sustainable business model and required continuous capital investment. Such disposal allowed us to reallocate resources to more promising ventures.

Also, the Company completed issuance of shares under the two share subscription agreements entered into on 13 October 2024 and successfully raised HK\$376.0 million in March 2025. This significant injection of capital supported our business development and strengthened our general capital reserves.

In December 2025, the Group disposed of Shandong Forever New Energy Company Limited ("Shandong Forever New Energy"), an associate of the Group, to align with our strategy to streamline operations and concentrate our efforts on our core business segments.

## CHAIRMAN'S STATEMENT

### China's bauxite industry market

According to an article published by Sina Finance on 9 March 2026 titled "Global bauxite production will be about 480 million tons in 2025", the fundamentals of the global bauxite market will be more stable in 2026. Global bauxite production is expected to be between 475 million and 480 million tons in 2025, and production is expected to increase by 6% year-on-year in 2026. This growth is supported by ongoing demand in sectors such as infrastructure, transportation, packaging, and energy transition. Although China's bauxite reserves are limited, the mining volume is huge. In 2025, China's bauxite production will remain at a high level, about 93 million tons, ranking the third in the world. Due to strong domestic demand, China imports a large amount of bauxite, with Guinea and Australia as the main sources of imports. With the rapid development of clean energy technology and the rise of new energy vehicles and other fields, the demand for aluminum will continue to grow. This will bring new development opportunities to the global bauxite market.

However, Guinea, the world's largest producer of bauxite, is considering tightening bauxite supply policies recently, which could lead to a short-term contraction in China's imports. If Guinea's tightening bauxite supply policy is implemented, China's alumina plants will be forced to increase domestic ore purchases to fill the gap, which is expected to have a positive impact on China's local bauxite production enterprises in such areas as demand shift, price support, and capacity release, but with challenges of grade and environmental pressure.

In the medium and long term, ten departments including the Ministry of Industry and Information Technology, the National Development and Reform Commission and the Ministry of Natural Resources jointly issued the "Implementation Plan for the High-quality Development of the Aluminum Industry (2025–2027)" in 2025, which proposes to strive for a 3% to 5% increase in domestic bauxite resources, and the output of recycled aluminum of more than 15 million tons is one of the goals, so as to gradually reduce dependence on overseas and greatly improve the ability to guarantee aluminum resources. The industrial structure will be further optimized and upgraded to the green aluminum industry.

### PROSPECTS

Geely Technology Group Co., Ltd. is the indirect controlling shareholder of the Group. The Group has turned to a new chapter of development under this strong background. We continued to enhance our cooperation amongst Geely Technology Group Co., Ltd., and Zhejiang Geely Holding Group Company Limited, one of Fortune 500 companies, to foster synergies and jointly explore new development opportunities. Such close partnerships bring valuable resources and support to the Group, enabling us to overcome challenges and achieve sustainable growth.

In order to support the sustainable business development and long-term strategy of the Group, the Company has restructured the Board since the fourth quarter of 2024. The new Board leads the Group in addressing market challenges and seizing opportunities for development. In addition, we always remain committed to strengthening the internal management to enhance operational efficiency and risk management capability of the Group.

It is our long-term vision and goal to become a widely trustworthy green supplier of mineral resources, and to contribute to the sustainable development of the society.

The Group will gradually enhance the ore beneficiation and actively explore new customer groups for effectively improving business scale and revenue.

## CHAIRMAN'S STATEMENT

Despite the keen market competition and fluctuation of raw materials, the Company is committed to maintain the sustainable and healthy development of business scale by continuously paying attention to market dynamics, optimizing product structure and strengthening cost management.

In addition, pursuant to the national development plans for new energy vehicle ("NEV") (including the 2021–2035 blueprint), it outlines five strategic tasks, namely (i) enhancing technological innovation in batteries, motors, chips, and smart systems, (ii) improving the NEV industrial ecosystem, (iii) deepening the integration of NEVs with energy, transport and information networks, (iv) accelerating the construction of charging and swapping infrastructure, and (v) expanding opening-up and international cooperation. The plan emphasizes cross-industry synergies and quality over quantity, supporting China's EV battery expertise amid rising global demand. The management of the Group will adapt to the development of the industry and explore opportunity to implement a synergistic integration strategy within the NEV value chain and take the appropriate actions to maximize the return of the Group.

Furthermore, we are actively promoting the environmental assessment works of Brazilian iron ore, while exploring and identifying new and sustainable businesses related to our core businesses to enhance the competitiveness and long-term profitability of the Group.

Finally, I would like to thank our shareholders for their continued support and to all our staff for their hard work during the year.

**Xu Zhihao**

*Chairman*

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Lithium-Ion Battery Business

For the year ended 31 December 2025 (“Year Ended 2025”), the lithium-ion battery segment recorded a revenue of approximately HK\$25.7 million, representing a decrease of approximately 67% when compared to the revenue of approximately HK\$77.5 million recognised in last year due to the decrease in the number of orders from a major customer with a relative higher gross profit margin in 2024 and the shift of market demand to higher-grade products.

The loss in the lithium-ion battery segment was approximately HK\$29.7 million for the Year Ended 2025 (for the year ended 31 December 2024 (“Year Ended 2024”): HK\$14.0 million loss). Such loss was mainly due to the decrease in revenue, gross profit and increase in cost and other expenses.

### The Principal Risks and Uncertainties for Lithium-Ion Batteries Segment

#### Regulatory Environment and Policies in Relation to NEV Industry in the PRC

To promote the development of NEV industry, the PRC government has actively introduced requirements such as more stringent fuel efficiency, NEV output ratio requirement, NEV sales target as well as provision of different types of subsidies. The NEV industry is affected by such regulatory environment and policies in the PRC and any material adverse change in the regulatory environment and policies could negatively affect the NEV industry and the lithium-ion battery business of the Group. The management of the Group will continue to pay attention to any proposed and new policies related to the NEV industry and take the appropriate actions to maximize the return of the Group.

#### Increasing Raw Materials and Purchase Costs

There is a general lack of supply of key raw materials for lithium-ion battery such as cobalt and lithium. If there is any significant increase in the price of the raw materials, the Group profitability and financial results will be adversely affected. The Group will continue to control and improve the overall costs structure of lithium-ion battery products by increasing the energy density, production passing ratio of our products, strengthening the management skill, promoting effective use of materials, streamlining the supply chain and outsourcing some manufacturing process to other parties, etc.

#### Others

Moreover, technological advancement, innovation and even revolution require continuous improvement, or even obsolescence, of battery production lines. Instead of expansion which requires large capital investment, the Group has been adopting a prudent strategy which includes outsourcing some production process to reduce the possible negative impacts from such risks. Factors such as excessively large trade receivables will also result in certain risks.

#### Zhejiang Forever New Energy Company Limited (“Zhejiang Forever New Energy”)

Zhejiang Forever New Energy, a 52% owned subsidiary of the Group, is a modern lithium-ion battery enterprise located in Jinhua New Energy Automobile Industrial Park. Zhejiang Forever New Energy occupies an area of approximately 130,000 square meters and its plant is designed to possess a maximum production capacity of approximately 2,000,000 kWh ternary lithium-ion battery annually. The first 500,000 kWh production line which produces pouch type cells has commenced mass production since 2018. Recently, Zhejiang Forever New Energy has outsourced the cell production process and focuses on production of battery packs.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW — CONTINUED

#### The Principal Risks and Uncertainties for Lithium-Ion Batteries Segment — Continued

##### Zhejiang Forever New Energy Company Limited (“Zhejiang Forever New Energy”) — Continued

Zhejiang Forever New Energy has full research and development ability (including lithium battery and battery management system design) and the batteries produced are top quality, reliable and safe. However, large vehicle manufacturers are not willing to place large orders due to the small production capacity which lead to a relative high average costs when compared to the other competitors. In the PRC, the top ten powered battery manufacturers accounted for over 90% of the market share. It is not easy to break off an established relationship between a battery manufacturer (supplier) and new energy vehicle manufacturer (customer), given the efforts and resources required by both the supplier and the customer to develop a compatible battery product. Customer exploration remains a huge challenge but the Group has been constantly negotiating and promoting products matching with automobile, commercial vehicle or electric bicycle manufacturers and also with potential new customers in the energy storage field and manufacturers which are planning to make a switch from lead acid battery to lithium battery for their vehicles. Expecting for lithium-ion battery for PHEVs and the parking and starting battery for heavy trucks, the Group also has EV lithium-ion batteries in the product list.

##### Shandong Forever New Energy Company Limited (“Shandong Forever New Energy”)

The current production capacity of Shandong Forever New Energy amounts to 150,000 kWh of lithium iron phosphate battery or 225,000 kWh of ternary lithium battery annually. There was no production in Shandong Forever New Energy for years. Shandong Forever has been focusing on downsizing and operation simplification in the past few years.

#### *Disposal of Shandong Forever New Energy and Assignment of Debts*

On 20 January 2025, Triumphant Glory Investments Limited (凱榮投資有限公司) (“Triumphant Glory”), a wholly owned subsidiary of the Company, Zhejiang Geely Automobile Co., Ltd.\* (浙江吉利汽車有限公司) (“Geely Auto”) and Suzhou Aplesi New Energy Power System Technology Co., Ltd.\* (蘇州艾普樂思新能源動力系統科技有限公司) (“Suzhou Aplesi”), entered into an equity transfer agreement (“Shandong Forever New Energy Equity Transfer Agreement”), pursuant to which Triumphant Glory and Geely Auto agreed to sell, and Suzhou Aplesi agreed to purchase approximately 24.5% and approximately 17.0% equity interests in the Shandong Forever New Energy at a consideration of RMB9,290,000 and RMB5,510,000, respectively, to be settled in cash (the “Disposal”).

In connection with the aforesaid transaction, on 20 January 2025, Triumphant Glory, the Company, Suzhou Aplesi, Shandong Forever New Energy and Geely Auto entered into a debt assignment agreement, pursuant to which Triumphant Glory and the Company have assigned the outstanding debts of approximately RMB20,526,800 and RMB4,000,000 owing by Shandong Forever New Energy to Triumphant Glory and the Company respectively, to Suzhou Aplesi after completion of the Shandong Forever New Energy Equity Transfer Agreement each at nil consideration (the “Debt Assignment Agreement”).

The transaction took place on 29 December 2025. Upon completion of the Disposal, the Company no longer holds any equity interest in Shandong Forever New Energy. For more details, please refer to the announcements issued by the Company on 20 January 2025 and 29 December 2025.

\* The English translation of the Chinese name is for identification purposes only and should not be regarded as the official English translation of such name.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW — CONTINUED

#### Online Car-Hailing Business

For the Year Ended 2025, online car-hailing business segment contributed approximately HK\$6.1 million revenue to the Group (2024: HK\$48.6 million). The decrease was because there were only three months operations during the financial year. The business was disposed of during the Year Ended 2025.

#### Jixing International Technology Co. Ltd (“Jixing International”)

Jixing International engaged in online car-hailing services in France under the brand Caocao. The service was launched in Paris in January 2020. Despite the COVID pandemic posed severe challenges, Caocao received positive feedback from passengers and B2B business partners, affirming the quality of our service and Caocao also completed a round of funding in 2022. In a strategic move, we also cooperated with Uber, a market competitor, to explore synergies and enhance our service offerings. Caocao also did an excellent job during the Paris Olympics and provided reliable service to tourists and athletes. However, Caocao faced critical challenges, particularly in terms of high administrative, drivers, car maintenance and IT costs.

Despite Jixing International had actively working on strategies to optimise our operations and reduced these costs, it had not been able to identify a sustainable business model. As the Company failed to perceive the future of the online car-hailing business and it was expected that continuous funding would be required to sustain its operation, the Group, having assessed the financial position of the online car-hailing business in France, believed that termination of the business will be able to avoid further losses and improve the financial position of the Group, which was in the interests of the Company and its shareholders as a whole.

On 12 February 2025 (France time), the Tribunal de commerce de Nanterre in France confirmed that it received the application for Liquidation judiciaire filed by ESQ VTC (“Voluntary Liquidation”). ESQ VTC is a company incorporated in France with limited liability, and is principally engaged in the provision of driver capacity for online-hailing car and driver management services in France. The current operations of ESQ VTC fail to support the development of the Company and have increased the operating costs of the Company. As such, in order to further focus on the development of its principal business relating to resources and new energy, reduce the Company’s operating costs, enhance its efficiency and achieve its high-quality and sustainable development, the Company had determined to terminate the operation of ESQ VTC.

#### Disposal of Jixing International

On 21 March 2025, Honbridge Technology Limited (“Honbridge Technology”) (a wholly owned subsidiary of the Company), and Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd. (“Zhejiang Zuozhongyou”) entered into the equity transfer agreement, pursuant to which Honbridge Technology agreed to sell, and Zhejiang Zuozhongyou agreed to purchase approximately 35.56% equity interests in Jixing International at a consideration of RMB1 to be settled in cash (“Equity Transfer Agreement” or “the Disposal”).

The Disposal had been completed on 3 April 2025. After the Disposal, Honbridge Technology no longer held any equity interest in the Jixing International and the Jixing International and its subsidiaries (“Jixing International Group”) ceased to be the subsidiaries of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW — CONTINUED

### Ore Trading Business

For the Year Ended 2025, ore trading business segment recorded a revenue of approximately HK\$205 million. The trading of bauxite business was commenced in the second half of 2025 and approximately 400,000 tonnes of bauxite were delivered during the Year Ended 2025.

Guangxi Tuoxing Mining Co., Ltd. (“Tuoxing”) is a wholly-owned subsidiary of the Group which is principally engaged in ore sourcing, beneficiation (including crushing and screening, washing, classification and dewatering), domestic distribution of bulk commodities such as bauxite in Guangxi. The Group will gradually enhance the ore beneficiation and actively explore new customer groups for effectively improving business scale and revenue.

Despite the keen market competition and fluctuation of raw materials, the Company is committed to maintain the sustainable and healthy development of business scale by continuously paying attention to market dynamics, optimizing product structure and strengthening cost management.

### Progress of SAM Iron Ore Project

#### 1. Project Overview and Technical Development

As of 31 December 2025, the Group had cumulatively invested approximately US\$85.89 million in Sul Americana de Metais S.A. (“SAM”), an indirect wholly owned subsidiary of the Company in Brazil, for the development and construction of its iron ore project (the “Block 8 Project” or “SAM Project”). Including the acquisition consideration of US\$78.42 million, the Group’s total investment in the project amounted to approximately US\$164.31 million.

There has been no exploration and mining activity during the Year Ended 2025 and the measured and indicated resources for Block 8 Project are same as last year at 3,583 million tonnes (16.63%) and 1,556 million tonnes (16.05%) respectively.

SAM is undertaking the phased development of the Block 8 Project, which is expected to ultimately achieve a production capacity of 27.5 million tonnes per annum of high-quality pellet feed (~66.2% Fe). The project will feature an integrated system comprising an open-pit mine, beneficiation plant, tailings disposal facilities, power transmission line, water supply pipelines, and the Vacaria water dam.

Recognized as a strategic mining project by the Brazilian federal government through the Interministerial Committee for the Analysis of Strategic Mineral Projects (CTAPME), coordinated by the Ministry of Mines and Energy (MME), and designated as a Priority Project by the State of Minas Gerais, the Block 8 Project plays a vital role in fostering local economic development and employment.

However, following the tailings dam failures in Brazil in 2015 and in 2019 involving other mining companies, Brazil has continuously introduced and tightened regulations concerning tailings dam safety in recent years. As a result, the Block 8 Project has faced unprecedented challenges in securing environmental licensing. The updated legal framework explicitly requires comprehensive alternative studies on tailings disposal to demonstrate that the selected solution represents the safest and most viable option from environmental, social, and economic sustainability perspectives.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW — CONTINUED

### Progress of SAM Iron Ore Project — Continued

#### 1. Project Overview and Technical Development — Continued

Since 2024, SAM has actively pursued the most appropriate tailings disposal solution tailored to the specific characteristics of its ore. SAM has engaged extensively with equipment manufacturers and solutions providers to evaluate the applicability of advanced technologies. SAM conducted site visits to dry stacking operations in Brazil and reviewed international best practices, including downstream tailings dam facilities in China. These efforts reflect SAM's strong commitment to establishing a safe, environmentally responsible, and internationally compliant mining project aligned with the latest regulatory standards.

As of 31 December 2025, SAM has been implementing a system upgrade of the Block 8 Project across multiple dimensions. This includes a full redevelopment of conceptual engineering, incorporating detailed assessments of technical and locational alternatives.

In April 2025, SAM completed a new topographic survey of the project area as part of the ongoing technical development and engineering optimization of the Block 8 Project, in response to updated regulatory requirements that prescribe higher accuracy standards for topographic data applicable to projects of this nature.

In June 2025, it formally initiated alternative studies and new conceptual-level engineering designs for the beneficiation plant and geotechnical facilities, including the tailings dam, dry stacking piles, waste dump, and water dam.

Based on the results of the current Alternative Studies conducted at the conceptual engineering stage, and taking into account the capacity of the Porto Sul port to accommodate third-party cargo, the project is planned to be implemented in phases. Phase I is designed for an annual capacity of 13.75 Mt/a, while Phase II will increase the overall annual capacity to 27.5 Mt/a upon reaching full production. With respect to tailings management, taking into consideration the tailings characteristics of Block 8 Project, the climatic conditions of the project area, and the applicable regulatory requirements, the project is expected to adopt a hybrid tailings management solution. Coarse-grained tailings will be filtered and disposed of in dry stacks, while fine-grained tailings will be discharged to the tailings storage facility as high-density slurry. At the current conceptual engineering stage, the tailings dam is planned to adopt a conventional earth-rockfill structure, constructed using the downstream method, to ensure overall safety and long-term stability.

In January 2026, SAM engaged DataMine to carry out a systematic optimization of the open-pit mine design and mining plan, the relevant works are well underway with completion expected by July 2026. During the same period, SAM also engaged Ruraltech to conduct complementary topographic and geospatial surveys in the downstream areas of the dams. The scope of work includes aero photogrammetric surveys, airborne laser scanning (LiDAR), and bathymetric surveys, with the objective of generating high-precision spatial data to support dam safety-related technical studies, including hypothetical dam-break studies and the preparation of Emergency Action Plans (PAE/PAEBM).

Additional engineering and technical service contracts associated with the conceptual engineering also continue to be executed progressively. Based on the current project schedule, SAM expects to finish the new conceptual engineering design by the end of 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW — CONTINUED

#### Progress of SAM Iron Ore Project — Continued

#### 2. Environmental Licensing and EIA-RIMA Progress

During the financial period, the preparation of a new Environmental Impact Assessment and Report (EIA-RIMA) continued to progress steadily. Following the submission of the fauna sampling work plan to the environmental licensing authority FEAM on 21 July 2025, SAM obtained the corresponding fauna management and sampling authorization (Autorizacao de Manejo de Fauna) in August 2025.

In September 2025, SAM completed dry-season field campaigns, including fauna surveys, water quality monitoring, and spring mapping activities.

As of 31 December 2025, SAM has commenced the rainy-season field campaigns for fauna surveys, water quality monitoring, and spring assessments. In parallel, on-site surveys related to the physical environment, socio-economic conditions, and the first phase of the speleological survey in connection with the speleological potential study are underway and are expected to be completed by the end of March 2026.

Based on the current project schedule, SAM expects to complete EIA-RIMA in the second half of 2026.

#### 3. Social Aspects and Free, Prior and Informed Consultation (CLPI)

In light of the presence of traditional communities within the area of influence of the Block 8 Project, and in accordance with the principle established under International Labour Organization Convention No. 169 requiring the conduct of Free, Prior and Informed Consultation (CLPI) prior to the adoption of measures that may directly affect such communities, SAM is seeking to advance the CLPI process in compliance with laws. In this context, SAM has maintained close communications with the Minas Gerais State Secretariat for Social Development (SEDESE) and the relevant public prosecution authorities regarding the organization and implementation of the CLPI process, and has engaged with experienced independent implementing entities and community technical advisors to carry out preparatory activities. SAM expects to initiate the CLPI process in the first half of 2026.

SAM is committed to ensuring that the consultation process is conducted in a transparent, ethical, and culturally respectful manner. SAM believes that constructive dialogue and open communication are essential to addressing concerns, managing differences, and seeking balanced and sustainable solutions with the communities to be affected.

#### 4. Logistics Infrastructure and Pipeline Project

Regarding logistics infrastructure, in order to enhance the security and controllability of the project's iron ore product export channel, the Group, under the strategic guidance of its top management, completed the acquisition of Lotus Fortune Holdings Limited in 2025. Consequently, the Group indirectly secured 100% ownership of the pipeline company Lotus Brasil Comercio E Logistica Ltda ("Lotus Brasil"), thereby regaining full control over the project's logistics chain and laying a solid foundation for the future planning, construction, and independent operation of the pipeline system.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW — CONTINUED

#### Progress of SAM Iron Ore Project — Continued

#### 4. Logistics Infrastructure and Pipeline Project — Continued

Considering the phased development strategy of the Block 8 Project, particularly the adjustment of the production scale, Lotus Brasil plans to update the conceptual engineering design of its pipeline project, Lotus 1, which also encompasses the concentrate dewatering station and the concentrate stockyard. Lotus Brasil is currently finalizing the supplier selection process and expects to commence the updated conceptual engineering work in the first half of 2026.

With respect to the environmental licensing of the pipeline project, as the project traverses two Brazilian states, the environmental licensing competency lies with the federal environmental authority IBAMA. In practice, IBAMA has previously delegated the environmental licensing competency to the Minas Gerais State environmental authority (SEMAD). In this context, FEAM, acting on behalf of SEMAD, is currently coordinating with the environmental authority of the State of Bahia INEMA to establish a technical cooperation agreement and to jointly define the required Terms of Reference (TR) for the preparation of the EIA-RIMA for the pipeline project. Lotus Brazil is presently awaiting the execution of the technical cooperation agreement, after which it intends to initiate the tender process for the preparation of the updated EIA-RIMA in accordance with the issued TR.

#### ***Expected Timetable***

Many uncertainties, may affect the timetable, by assuming that the LP (preliminary license) is obtained by end of 2027, there is a chance to obtain the LI (installation license) in 2029. Construction is expected to take approximately three years, with completion anticipated in the second half of 2032. This will be followed by commissioning, after which the project is expected to start trial production. Commercial operation is anticipated in the beginning of 2033.

#### ***Capex and Opex***

As at 31 December 2025, the total capital expenditures for construction of infrastructure of Block 8 Project is estimated to be US\$3.59 billion. The Opex per ton of pellet feed for the first 18 years is approximately US\$20.0 and thereafter will rise to approximately US\$24.6. Taking into account the pipeline transportation and concentrate dewatering service fees payable to Lotus Brasil, as well as fees payable to the port, FOB costs are expected to be approximately US\$33.4 per ton for the first 18 years and then increase to US\$37.9 per ton.

#### The Principal Risks and Uncertainties for The SAM Project

##### **Iron ore price risk**

The fair value of the Group's evaluation and exploration assets in the Brazil are exposed to fluctuations in the expected future iron ore price. The management will review the market condition from time to time and determine the best strategy to deal with the fluctuation of iron ore price.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW — CONTINUED

#### The Principal Risks and Uncertainties for The SAM Project — Continued

##### Risk of SAM project will not be materialized

The risk is largely driven by various factors such as commodity prices, government regulations, legal litigation challenges, political factors, policies and approval of the relevant permits and licenses to conduct the mining activities in Brazil. All these factors may affect the schedule of the project, or even result in the failure of the SAM Project.

### SHAREHOLDING IN YUXING INFOTECH

As at 31 December 2025, the Group owned 351,867,200 shares (31 December 2024: 351,867,200 shares) of Yuxing InfoTech Investment Holdings Limited (“Yuxing InfoTech”, a company whose shares are listed on the GEM of the Stock Exchange with stock code: 8005), representing 14.14% equity interests in Yuxing InfoTech. Such shares can be disposed of for the working capital of the Company or when the appropriate opportunity or market conditions arrived.

### CONNECTED TRANSACTION — ENTERING INTO THE EQUITY TRANSFER AGREEMENT AND ASSIGNMENT OF DEBT

On 20 January 2025, Triumphant Glory Investments Limited (凱榮投資有限公司) (“Triumphant Glory”), a wholly owned subsidiary of the Company, Zhejiang Geely Automobile Co., Ltd.\* (浙江吉利汽車有限公司) (“Geely Auto”) and Suzhou Aplesi New Energy Power System Technology Co., Ltd.\* (蘇州艾普樂思新能源動力系統科技有限公司) (“Suzhou Aplesi”), entered into an equity transfer agreement (“Shandong Forever New Energy Equity Transfer Agreement”), pursuant to which Triumphant Glory and Geely Auto agreed to sell, and Suzhou Aplesi agreed to purchase approximately 24.5% and approximately 17.0% equity interests in the Shandong Forever New Energy at a consideration of RMB9,290,000 and RMB5,510,000, respectively, to be settled in cash (the “Disposal”).

In connection with the aforesaid transaction, on 20 January 2025, Triumphant Glory, the Company, Suzhou Aplesi, Shandong Forever New Energy and Geely Auto entered into a debt assignment agreement, pursuant to which Triumphant Glory and the Company assigned the outstanding debts of approximately RMB20,526,800 and RMB4,000,000 owing by Shandong Forever New Energy to Triumphant Glory and the Company, respectively, to Suzhou Aplesi after completion of the Shandong Forever New Energy Equity Transfer Agreement each at nil consideration (the “Debt Assignment Agreement”).

As Geely Auto (one of the vendors) is a subsidiary of Zhejiang Geely, a substantial shareholder of the Company and is owned as to 91.08% by Mr. Li Shufu, the controlling shareholder of the Company, Geely Auto is an associate of Zhejiang Geely, and is a connected person of the Company. Therefore, the transaction contemplated under the Equity Transfer Agreement constituted a connected transaction of the Company subject to the reporting and announcement requirements, but is exempted from the independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

The transaction took place on 29 December 2025. Upon completion of the Disposal, the Company no longer holds any equity interest in Shandong Forever New Energy. For more details, please refer to the announcements issued by the Company on 20 January 2025 and 29 December 2025.

\* The English translation of the Chinese name is for identification purposes only and should not be regarded as the official English translation of such name.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SUBSCRIPTIONS OF 4,700,000,000 SHARES OF THE COMPANY

On 13 October 2024, the Company entered into subscription agreements (the “Subscription Agreements”) with each of the subscribers, namely (i) Hong Bridge Capital Limited, the controlling shareholder of the Company; and (ii) Mr. Xu Zhihao, the Chairman of the Company, pursuant to which each of Hong Bridge Capital Limited and Mr. Xu Zhihao conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 4,500,000,000 shares and 200,000,000 shares at the subscription price of HK\$0.08 per share (represented a discount of approximately 75.00% to the closing price of HK\$0.3200 per share as quoted on the Stock Exchange on 10 October 2024, being the last full trading day of the shares on the Stock Exchange immediately prior to the date of the Subscription Agreements), respectively (the “Subscriptions”).

The gross proceeds from the Subscriptions, that was the total consideration of the Subscriptions, were HK\$376 million and the estimated net proceeds from the Subscriptions, after deduction of relevant legal and advisory costs, were approximately HK\$375 million. In accordance with the announcement of the Company dated 13 February 2025, the Company intended to use the net proceeds from the Subscriptions for (i) iron ore project development in Brazil; (ii) working capital of Zhejiang Forever New Energy Company Limited; (iii) working capital for the headquarter of the Group in Hong Kong; and (iv) investment funds for potential projects. The Company considered that the Subscriptions would facilitate the development of the existing business of the Company and improve the financial position of the Group for its future development and working capital.

The subscription price of the subscription shares under the Subscription Agreements shall be paid via bank cheque in Hong Kong dollar or wire transfer. 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. There is no restriction which apply to the subsequent sale of the subscription shares.

Hong Bridge Capital Limited is a direct controlling Shareholder and Mr. Xu Zhihao is the Chairman of the Company.

Accordingly, the transactions contemplated under the Subscription Agreements were connected transactions of the Company subject to the reporting, announcement and independent shareholder’s approval requirements under Chapter 20 of the GEM Listing Rules. An extraordinary general meeting of the Company for approving the transactions contemplated under the Subscription Agreements was held on 9 December 2024. On 27 March 2025, the transactions under Subscription Agreements were completed and 4,700,000,000 shares were allotted to the subscribers. For more details, please refer to the announcements issued by the Company on 17 October 2024, 9 December 2024 13 February 2025 and 27 March 2025 and the Circular issued by the Company on 22 November 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SUBSCRIPTIONS OF 4,700,000,000 SHARES OF THE COMPANY — CONTINUED

#### Use of proceeds from the Subscriptions

Usage	Planned use of net proceeds as disclosed in the announcement dated 13 February 2025 <i>HK\$ million</i>	Net proceeds utilised during the period ended 31 December 2025 <i>HK\$ million</i>	Net proceeds unutilised as at 31 December 2025 <i>HK\$ million</i>
Development of and investment in mineral-related projects	306.4	23.8	282.6
— Iron-ore project development in Brazil	207.1	23.8	183.3
— Investment in mineral-related projects	99.3	–	99.3
Working capital for Zhejiang Forever New Energy Company Limited	25.0	–	25.0
Working capital for the headquarters of the Group in Hong Kong	43.6	15.6	28.0
	375.0	39.4	335.6

### DISCLOSEABLE AND CONNECTED TRANSACTION — ENTERING INTO THE EQUITY TRANSFER AGREEMENT

On 21 March 2025, Honbridge Technology Limited (“Honbridge Technology”) (a wholly owned subsidiary of the Company), and Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd. (“Zhejiang Zuozhongyou”) entered into the equity transfer agreement, pursuant to which Honbridge Technology agreed to sell, and Zhejiang Zuozhongyou agreed to purchase approximately 35.56% equity interests in Jixing International at a consideration of RMB1 to be settled in cash (“Equity Transfer Agreement” or “the Disposal”).

Zhejiang Zuozhongyou is a member of Geely Technology Group Co., Ltd., which is ultimately controlled by Mr. Li Shufu, the controlling shareholder of the Company. Therefore, Zhejiang Zuozhongyou is an associate of Mr. Li Shufu and a connected person of the Company. The Disposal constituted a discloseable and connected transaction for the Company and was subject to the reporting and announcement requirements, but is exempted from the independent shareholders’ approval requirement under the GEM Listing Rules.

The Disposal had been completed on 3 April 2025. After the Disposal, Honbridge Technology no longer held any equity interest in the Jixing International and the Jixing International and its subsidiaries (“Jixing International Group”) ceased to be the subsidiaries of the Company. For more details, please refer to the announcement issued by the Company on 23 March 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MEMORANDUM OF STRATEGIC COOPERATION

On 8 August 2025, the Company entered into a non-legally binding memorandum of strategic cooperation (the “Memorandum”) with Dongfang Yilin Industrial Co., Ltd. (東方億林實業有限公司) (“Dongfang Yilin”). Dongfang Yilin is an integrated operator of timber asset digitalization incorporated in China. Dongfang Yilin is an indirect non-wholly owned subsidiary of Geely Technology Group Co., Ltd., which is an indirect controlling shareholder of the Company.

Pursuant to the Memorandum, the parties, with Hainan Huanghuali (*Dalbergia Odorifera*) standing timber as the underlying asset, will jointly explore financialization pathways for precious timber resources, with the aim to drive the industrialization of ecological resources, the capitalization of ecological industries, the productization of ecological capital, and the marketization of ecological products. Due to a commercial decision, the Company had ceased to proceed with this project.

### CHARGES ON GROUP ASSETS

At 31 December 2025, right-of-use assets, property, plant and equipment, and restricted bank deposits of the Group with aggregate carrying amounts of approximately HK\$31.0 million (2024: approximately HK\$30.5 million), approximately HK\$9.9 million (2024: approximately HK\$10.0 million) and approximately HK\$13.5 million (2024: approximately HK\$16.4 million) respectively were pledged to secure certain banking facilities granted to the Group.

### CONTINUING CONNECTED TRANSACTIONS

#### The Sales Framework Agreement with Zhejiang Geely Holding Group Company Limited (“Zhejiang Geely”)

On 11 September 2023, the Company entered into a sales framework agreement (the “2023 Sales Agreement”) with Zhejiang Geely, pursuant to which the Group will supply lithium-ion battery pack and related products to Zhejiang Geely and its subsidiaries (the “Zhejiang Geely Group”) in accordance with the terms and conditions thereunder.

Zhejiang Geely is ultimately controlled by Mr. Li Shufu, the controlling shareholder of the Company and therefore a connected person of the Company and the transactions contemplated under the 2023 Sales Agreement constituted continuing connected transactions of the Company subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

#### Reasons for and Benefits of the 2023 Sales Agreement

The Group has been engaged by Zhejiang Geely Group to supply lithium-ion battery pack and related products since 2017. It is expected that the Group will continue to do so in its ordinary and usual course of business upon expiry of the Sales Framework Agreement. The Directors are of the view that securing such renowned customers can effectively improve the Group’s financial performance and deliver a stable income to the Group given there will be different vehicle brands under Zhejiang Geely Group using the powered batteries. Furthermore, the Directors consider that entering into the 2023 Sales Agreement which sets out the proposed Sales Annual Caps is constructive for the Group to sell the products and services thereunder, thereby benefiting the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINUING CONNECTED TRANSACTIONS — CONTINUED

#### The Sales Framework Agreement with Zhejiang Geely Holding Group Company Limited (“Zhejiang Geely”) — Continued

##### Reasons for and Benefits of the 2023 Sales Agreement — Continued

Principal terms of the 2023 Sales Agreement are set out below:

Term	:	From 23 October 2023 to 22 October 2026
Subject matters	:	Pursuant to the 2023 Sales Agreement, the Group shall supply lithium-ion battery pack and related products to Zhejiang Geely Group. The exact model and volume of goods purchased by Zhejiang Geely Group from the Group and the dates of delivery will be provided in separate purchase orders.
Pricing basis	:	The price of goods under the 2023 Sales Agreement will be negotiated on an arm’s length basis with reference to the prevailing market price and determined in the ordinary course of business on normal commercial terms or on terms no less favourable to the Company than those offered or available to independent third parties and will be specified in separate purchase orders.
Payment terms	:	Payments for the products under the 2023 Sales Agreement shall be settled within 75 days from the date of receipt of the invoice and are satisfied in cash. The payment terms under the 2023 Sales Agreement are determined in the ordinary course of business and are on normal commercial terms or on terms no less favourable to the Company than those offered or available to independent third parties.

For other details in relation to the 2023 Sales Agreement, please refer to the circular of the Company dated 19 October 2023.

##### Sales Annual Caps for the 2023 Sales Agreement

An extraordinary general meeting of the Company was held on 6 November 2023 and passed the resolution in relation to the Sales Framework Agreement with the following annual caps.

	For the period from 23 October 2023 to 31 December 2023 <i>RMB’000</i>	For the year ended 31 December 2024 <i>RMB’000</i>	For the year ended 31 December 2025 <i>RMB’000</i>	For the period from 1 January 2026 to 22 October 2026 <i>RMB’000</i>
Sales Annual Caps	50,000	235,000	155,000	97,000

Should the actual annual sales amount exceed the above annual caps, the Company will revise the annual caps in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINUING CONNECTED TRANSACTIONS — CONTINUED

#### The Purchase Framework Agreement with Zhejiang Yaoning Technology Co. Ltd. (“Zhejiang Yaoning”)

On 11 September 2023, the Company entered into a purchase framework agreement with Zhejiang Yaoning, pursuant to which the Group will purchase lithium-ion battery cells, modules and related products from Zhejiang Yaoning Group (the “Purchase Framework Agreement”).

Mr. Li Xingxing is indirectly interested in 85% of the equity interests in Zhejiang Yaoning and is also the son of Mr. Li Shufu, the controlling shareholder of the Company. Thus, Zhejiang Yaoning is an associate of Mr. Li Shufu and is a connected person of the Company and the transactions contemplated under the Purchase Framework Agreement constituted continuing connected transactions of the Company subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

#### Reasons for and Benefits of the Purchase Framework Agreement

The transactions contemplated under the Purchase Framework Agreement between the Group and Zhejiang Yaoning Group will be conducted in the ordinary and usual course of business of the Group. The products purchased from Zhejiang Yaoning Group are a component part of the lithium-ion battery pack, and through the Purchase Framework Agreement, the Group will be able to leverage on this advantage and utilise these supply chain resources to secure a sizable and stable supply of lithium-ion battery cells, modules and related products. The Purchase Framework Agreements will also allow the Group to capture the synergy between Zhejiang Yaoning Group and the Group, and contribute to the operational and business development of the Group.

Principal terms of the Purchase Framework Agreement are set out below:

Term	:	From 11 September 2023 to 10 September 2026
Subject matters	:	Pursuant to the Purchase Framework Agreement, the Group shall purchase lithium-ion battery cells, modules and related products from Zhejiang Yaoning Group. The exact model and volume of goods sold by Zhejiang Yaoning Group to the Group and the dates of delivery will be provided in separate purchase orders.
Pricing basis	:	The price of goods under the Purchase Framework Agreement will be negotiated on an arm’s length basis with reference to the prevailing market price and determined in the ordinary course of business on normal commercial terms or on terms no less favourable than those offered by independent third parties and will be specified in separate purchase orders.
Payment terms	:	Payments for the products under the Purchase Framework Agreement shall be settled within 60 days from the date of receipt of the invoice and are satisfied in cash. The payment terms under the Purchase Framework Agreement are determined in the ordinary course of business on normal commercial terms or on terms no less favourable to the Company than those offered by independent third parties.

For other details in relation to the Purchase Framework Agreement, please refer to the circular of the Company dated 19 October 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINUING CONNECTED TRANSACTIONS — CONTINUED

#### The Purchase Framework Agreement with Zhejiang Yaoning Technology Co. Ltd. (“Zhejiang Yaoning”) — Continued

##### Purchase Annual Caps for the Purchase Framework Agreement

An extraordinary general meeting of the Company was held on 6 November 2023 and passed the resolution in relation to the Purchase Framework Agreement with the following annual caps.

	For the period from 11 September 2023 to 31 December 2023 <i>RMB'000</i>	For the year ended 31 December 2024 <i>RMB'000</i>	For the year ended 31 December 2025 <i>RMB'000</i>	For the period from 1 January 2026 to 10 September 2026 <i>RMB'000</i>
Purchase Annual Caps	42,000	103,000	129,000	72,000

Should the actual annual purchase amount exceed the above annual caps, the Company will revise the annual caps in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules.

#### The Bauxite Purchase Framework Agreement with Geely Technology Group Company Limited (“Geely Technology”)

On 27 January 2025, the Company and Geely Technology entered into the Bauxite Purchase Framework Agreement, pursuant to which Geely Technology Group shall supply bauxite related products to the Group (the “Bauxite Purchase Framework Agreement”).

Hong Bridge Capital Limited holds approximately 53.93% of the total issued Shares of the Company and Hong Bridge Capital Limited is an indirect subsidiary of Geely Technology. Hong Bridge Capital Limited and Geely Technology are ultimately controlled by Mr. Li, the controlling shareholder of the Company. Thus, Geely Technology is a connected person of the Company and the transactions contemplated under the Bauxite Purchase Framework Agreement constituted continuing connected transactions of the Company subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

##### Reasons for and benefits of entering into the Bauxite Purchase Framework Agreement

Geely Technology Group is engaged in various businesses, including the sale of bauxite related products under its new materials business segment. It received ownership and mining rights in a bauxite mine in Baise City in Guangxi Province in the PRC with an estimated annual production capacity of bauxite of two million tonnes.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINUING CONNECTED TRANSACTIONS — CONTINUED

#### The Bauxite Purchase Framework Agreement with Geely Technology Group Company Limited (“Geely Technology”) — Continued

##### Reasons for and benefits of entering into the Bauxite Purchase Framework Agreement — Continued

The Group has been engaged in resources exploration and exploitation since around 2010 with substantial experience and extensive network in this field. Although the Group is currently focused on the exploration and exploitation of iron ores, it has decided to expand its focus to include bauxite (the raw material to produce aluminium) related business considering that it also has substantial experience with various other metals and ores including copper and steel. The Group’s senior management also have many years of experience in businesses engaged in the trading of nonferrous metals or mineral products. Taking into account the high level of competition in the market for lithium-ion power batteries and other challenges in the industry and the expected increase in demand for aluminium products in transportation, construction, packaging and the electrical sectors based on industry reports. The Company believes that securing a stable source of bauxite related products from a reputable source and at competitive prices would help facilitate the Group’s further development in this business.

The principal terms of the Bauxite Purchase Framework Agreement are set out as follows:

Term	:	From 27 January 2025 to 31 December 2027
Subject matters	:	Pursuant to the Bauxite Purchase Framework Agreement, Geely Technology Group shall supply bauxite related products to the Group. The exact type and amount of goods supplied to the Group by Geely Technology Group and the dates of delivery will be provided in separate purchase orders.
Pricing basis	:	The price of the products under the Bauxite Purchase Framework Agreement will be negotiated on an arm’s length basis and determined in the ordinary course of business on normal commercial terms or on terms no less favourable to the Group than those offered by independent third parties, and will be specified in individual purchase orders. The abovementioned product prices will be determined mainly by reference to the market price of the same or similar products under the Bauxite Purchase Framework Agreement.
Payment terms	:	The Group shall pay Geely Technology Group for the products in cash five (5) days before delivery and the amount to be paid shall be calculated in accordance with the agreed amount of the products to be supplied in the current batch and the agreed unit price. Geely Technology Group will only deliver the products up to the amount covered by the advance payment paid by the Group. If there is any surplus from the advance payment made by the Group in the same month, the remaining advance payment (interest-free) shall be regarded as part of the advance payment for the next batch of products. If the Company fails to pay the advance payment as agreed, Geely Technology Group shall have the right to suspend supplying the products until the Group settles such relevant amount.

For other details in relation to the Bauxite Purchase Framework, please refer to the circular of the Company dated 28 February 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINUING CONNECTED TRANSACTIONS — CONTINUED

#### The Bauxite Purchase Framework Agreement with Geely Technology Group Company Limited (“Geely Technology”) — Continued

##### Purchase Annual Caps for the Bauxite Purchase Framework Agreement

An extraordinary general meeting of the Company was held on 17 March 2025 and passed the resolution in relation to the Bauxite Purchase Framework Agreement with following annual caps.

	For the period from 17 March 2025 to 31 December 2025 <i>RMB'000</i>	For the year ending 31 December 2026 <i>RMB'000</i>	For the year ending 31 December 2027 <i>RMB'000</i>
Purchase Annual Caps	300,000	370,000	370,000

Should the actual annual purchase amount exceed the above Annual Caps, the Company will revise the Annual Caps in compliance with the relevant requirements under Chapter 20 of the GEM Listing Rules.

The sales under the Sales Framework Agreement for the year ended 31 December 2025 was approximately RMB12.2 million (equivalent to approximately HK\$13.2 million).

The purchase under the Purchase Framework Agreement for the year ended 31 December 2025 was approximately RMB23.1 million (equivalent to approximately HK\$24.9 million).

The purchase under the Bauxite Purchase Framework Agreement for the year ended 31 December 2025 was approximately RMB176.2 million (equivalent to approximately HK\$190.3 million).

Save as disclosed in this annual report, there was no other connected transaction or continuing connected transaction entered into by the Company during the year ended 31 December 2025 which is required to be disclosed under the GEM Listing Rules.

### FINANCIAL REVIEW

The revenue of the Group for the year ended 31 December 2025 (“Year Ended 2025”) was approximately HK\$231.0 million, representing an increase of approximately 198% as compared with that of approximately HK\$77.5 million for the year ended 31 December 2024 (“Year Ended 2024”).

The revenue of the Group was contributed by ore trading business segment and lithium-ion battery segment. The revenue generated from ore trading business segment approximately HK\$205 million. The trading of bauxite business was commenced in the second half of 2025 and approximately 400,000 tonnes of bauxite were delivered during the Year Ended 2025. The revenue generated from lithium battery segment has decreased by approximately 66.8% from approximately HK\$77.5 million for Year Ended 2024 to approximately HK\$25.7 million for Year Ended 2025. The decrease was mainly due to order from a major customer and the unsatisfactory sales of the parking and starting battery for heavy truck (駐車電池).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW — CONTINUED

The Group recorded a gross profit of approximately HK\$9.5 million (gross profit ratio: approximately 4.1%) for the Year Ended 2025 as compared with the gross profit of approximately HK\$17.0 million (gross profit ratio: approximately 21.9%) last year. For the Year Ended 2025, the Group's gross profit were primarily derived from its ore trading business which newly commenced during the year. As the gross profit margin generated from ore trading remained at a relatively low level of approximately 7%, it consequently dragged down the Group's overall gross profit margin. In addition, the gross profit margin also affected by decrease in sales of relative high gross profit margin product in the lithium battery production segment.

Other operating income, gains and losses was approximately HK\$5.8 million losses (Year Ended 2024: approximately HK\$19.9 million gains) was recognised during the year. Such change was mainly due to the loss on investments in listed securities for approximately HK\$19.3 million for the Year Ended 2025, which compare to the gain of approximately HK\$5.2 million for the Year Ended 2024 as the share price of Yuxing InfoTech, a listed equity investments listed in the GEM of Hong Kong Stock Exchange Limited dropped during the current year.

The selling and distribution costs decreased by approximately HK\$0.3 million or approximately 6.5% when compared to last year.

The administrative expenses increased by approximately HK\$2.1 million or approximately 4.4% when compared to last year, which was mainly driven by an increase in professional fees related to one-off projects during the financial year.

The impairment loss on financial assets was approximately HK\$3.3 million for the Year Ended 2025 (Year Ended 2024: approximately HK\$23.9 million), which was mainly due to no impairment loss on amount due from an associate for the year. The Group sold all the shareholdings of such associate, Shandong Forever New Energy during financial year.

Approximately HK\$6.6 million finance costs were recognised during the Year Ended 2025 (Year Ended 2024: approximately HK\$7.5 million) which were mainly interest expenses related to the bank borrowings from a commercial bank in the PRC and from a provision for repayment of government grant. The decrease is mainly due to repayment of bank borrowings of approximately HK\$19.7 million (equivalent to RMB18.2 million) and provision for repayment of government grant of approximately HK\$32.4 million (equivalent to RMB30 million).

For the Year Ended 2025, the loss for the year from continuing operations of the Company was approximately HK\$60.9 million (Year Ended 2024: loss of approximately HK\$407.6 million). The decrease in loss for the Year Ended 2025 was primarily attributable to no impairment provision related to the exploration and evaluation assets for the year (Year Ended 2024: impairment loss on exploration and evaluation assets of approximately HK\$534.2 million and net of a deferred tax credit of approximately HK\$181.6 million were recognised).

As at 31 December 2025, the cash and cash equivalent balance of the Group was approximately HK\$386.7 million (31 December 2024: approximately HK\$65.8 million). The increase was mainly due to receipt of the net proceeds, approximately HK\$375 million, from subscription of shares of 4,700,000,000 shares at the subscription price of HK\$0.08 per shares in March 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW — CONTINUED

As at 31 December 2025, the bank borrowings of the Group were approximately HK\$89.7 million (31 December 2024: approximately HK\$105.4 million). The decrease is mainly due to repayment of bank borrowings of approximately HK\$19.7 million (equivalent to RMB18.2 million), no additional bank borrowing draw down for the current year. The interest rate was 3.85% per annum for the Year Ended 2025 (Year Ended 2024: 4.45%).

As at 31 December 2025, the net current assets of the Group was approximately HK\$314.7 million (Year Ended 2024: approximately HK\$67.5 million).

As at 31 December 2025, the gearing ratio of the Group which is calculated as net debt (total borrowings (excluding lease liabilities)) divided by equity attributable to the owners of the Company, was approximately 2.1% (31 December 2024: approximately 3.0%). The gearing ratio of the Group decreased, primarily because the total equity increased following the changes in the exchange reserve arising from the translation of Brazilian Reais against Hong Kong dollars, as well as the issuance of 4.7 billion new shares under a share subscription on 27 March 2025.

### CAPITAL COMMITMENTS

As at 31 December 2025, the Group has contracted but not provided for capital commitments in relation to property, plant and equipment amounted to approximately HK\$15.0 million.

### EMPLOYEES

As at 31 December 2025, the total number of employees of the Group was 114 (2024: 164). Employee benefit expenses (including directors' emoluments) decreased to approximately HK\$31.0 million for the Year Ended 2025 (Year Ended 2024: approximately HK\$58.1 million), mainly due to disposal of online car-hailing and related service business in March 2025 resulting in a decrease in number of employees and employee benefit expenses compare with last year.

The Group considers its employees as its most valuable assets. In addition to salary, other fringe benefits such as medical subsidies, life insurance, provident fund and subsidised training programs are offered to employees of the Group. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employees may also receive a discretionary bonus based on performance.

### CONTINGENT CONSIDERATION AND LIABILITIES

Pursuant to the share purchase agreement in relation to the acquisition of SAM (the "SAM SPA"), the total consideration of US\$390 million for the acquisition of SAM was to be satisfied in cash in five instalment payments.

The first and the second instalment payment amount to US\$75 million were settled before the date of Settlement Agreement (details set out in the announcement of the Company dated 13 May 2016). The third, fourth and fifth instalment payment amount to US\$115 million, US\$100 million and US\$100 million were required to be settled according to certain milestones.

After execution of the Settlement Agreement in June 2016, the Group shall no longer be liable to pay third, fourth and fifth instalment payment with the total amount of US\$315 million under the SAM SPA.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CONTINGENT CONSIDERATION AND LIABILITIES — CONTINUED

#### Conditional additional payment

If, however:

- (i) the Group disposes of any or all of its interests in direct or indirect interests of SAM;
- (ii) SAM disposes of all or a significant portion of its assets other than the sale of inventory (i.e., pellet feed or other minerals) in the ordinary course of business after the production or extraction of minerals has begun, to a party other than the Group company; (each a “Disposal Event”) after the execution of the Settlement Agreement but before (a) the date by which an aggregate of 100,000 metric tons of pellet feed from any of the areas represented by the exploration permits issued to SAM has been shipped commercially (the “New Mining Production Commencement Date”); or (b) any final and non-appealable order, by any Brazilian regulatory authority, permanently restraining, enjoining or otherwise preventing the consummation of the New Mining Production Commencement Date, whichever is earlier, and the net proceeds from such a Disposal Event exceeds 120% of the Company’s investment in SAM and the Project, which comprises:
  - (1) the amount of US\$75,000,000, being part of the acquisition consideration and US\$420,000, an incentive payment previously paid to Votorantim (the seller);
  - (2) the Settlement Payment of US\$3,000,000 under the Settlement Agreement;
  - (3) an amount of US\$1,500,000, paid to a third party as fees for preparation of SAM’s feasibility study report;
  - (4) the amount of US\$64,175,000, representing the funds loaned to SAM and capital invested in SAM as of the date of the Settlement Agreement; and
  - (5) the total sum of any additional loans and capital invested (and not repaid, reduced or returned) by the Group in SAM or the Project, in each case which is related to the development of the Project, between the date of the Settlement Agreement and the date of any Disposal Event (“Honbridge’s Investment”), with the aggregate of items (1) to (5) above in no event exceeding US\$250,000,000, then the net proceeds from the Disposal Event that exceed 120% of Honbridge’s Investment shall be shared equally by the Company and Votorantim, with payment to Votorantim in no event to exceed US\$60,000,000 (the “Additional Payment”). As at 31 December 2024, the additional loans and capital invested was approximately US\$16,870,000.

#### Conditional mining production payment to Votorantim

If, prior to the expiry of 10 years after the date of the Settlement Agreement (i.e. May 2026), the New Mining Production Commencement Date occurs and all Additional Payments made by the Group to Votorantim in the aggregate prior to that date are less than US\$30,000,000, then the Group shall pay US\$30,000,000 to Votorantim (“New Mining Production Payment”) within 10 Business Days after the New Mining Production Commencement Date.

As at 31 December 2025, the contingent consideration payable was approximately HK\$119.0 million (equivalent to approximately US\$15.3 million) (2024: approximately HK\$117.5 million, equivalent to approximately US\$15.1 million).

## MANAGEMENT DISCUSSION AND ANALYSIS

### RELATED PARTY TRANSACTIONS

During this financial year, the Group entered into certain transactions with parties regarded as related parties under the applicable accounting standards. A summary of the related party transactions entered into by the Group during the Year Ended 2025 is contained in note to the financial statements including connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

The Company has complied with the disclosure requirements, to the extent they are not exempted or waived by the Stock Exchange, in accordance with Chapter 20 of the GEM Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the Year Ended 2025.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

**Mr. Xu Zhihao (徐志豪)**, aged 49, joined the Company in October 2024, is the Chairman and Chief Executive Officer of the Company. He has joined Zhejiang Geely Holding Group Co., Ltd. (“Geely Holding”) as the Chief Executive Officer of Geely Technology Group Co., Ltd. (“Geely Technology”) since 2017. From January 2021 to October 2022, Mr. Xu was the Chairman and an executive director of Lifan Technology (Group) Co., Ltd. (601777.SH). Since 2020, Mr. Xu has been serving as the Chairman of Zhejiang Qianjiang Motorcycle Co., Ltd. (000913.SZ) and an independent non-executive director of Anhui Gujing Distillery Co., Ltd. (000596.SZ). He was awarded the National May 1st Labor Medal. Mr. Xu received his doctor’s degree from Singapore Management University in June 2024. He has obtained the PRC fund practitioner qualification and securities practitioner qualification. He is a senior economist.

Mr. Xu has an interest in such number of shares under Part XV of the SFO as disclosed in the section headed “Report of the Directors — Directors’ interests in shares, underlying shares and debentures of the Company and its associated corporations” of this Annual Report.

**Mr. Xu Bing (許兵)**, aged 44, joined the Company in October 2024, joined Geely Holding in 2005 and has nearly 20 years of experience in operations management in the automotive industry, mineral smelting and diversified industries. He had served as the senior manager of operations management of Geely Holding and the general manager of operations management of Geely Technology. Currently, he is the Vice President of Geely Technology, the director of Zhejiang Jingneng Microelectronics Co., Ltd., and the Chairman of Anhui Ruike Resource Recycling Technology Co., Ltd. Since May 2021, he has been serving as a director of Zhejiang Qianjiang Motorcycle Co., Ltd (000913.SZ).

**Mr. Chen Shengjie (陳聖杰)**, aged 42, joined the Company in October 2024, joined Geely Holding in 2010, and has served successively as the financial auditor of the internal control department at Geely Holding, the Chief Financial Officer of Mingtai Investment Development Group, and the senior director of the board of directors of Geely Holding. He currently serves as the Chief Financial Officer of Geely Technology and a director of Geely Baikuang Group Co., Ltd., as well as a director of Sichuan Aerofugia Technology Co., Ltd. and Zhejiang Geespace Technology Co., Ltd. Mr. Chen obtained his master’s degree from Zhejiang Gongshang University (浙江工商大學) in June 2015.

**Ms. Gu Wenting (顧文婷)**, aged 39, joined the Company in October 2024, served as the Vice President of the Hong Kong stocks consumer goods sector of EJF Capital LCC from August 2012 to December 2015. From January 2016 to May 2022, she served as the executive partner and post-investment manager of Green Pine Capital Partners. Since July 2022, she has been serving as the Vice President of Geely Technology and the Vice Chairman of Sichuan Aerofugia Technology Co., Ltd., in charge of strategic investment and financing sector. Ms. Gu graduated from Guanghua School of Management of Peking University (北京大學光華管理學院) in June 2024.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Huang Yongzhong (黃永忠先生)**, aged 57, has been a veteran in the field of private equity and he has experiences in a number of internationally renowned investment institutions. Mr. Huang was the member of investment banking's merger and acquisition team of Schroders from July 1995 to January 2000. After his departure from Schroders, Mr. Huang served as the Chief Representative in Shanghai of Merrill Lynch between March 2000 and October 2001, in which he was mainly responsible for the investment banking business in East Asia. Mr. Huang joined AIG Global Investment Group ("AIG") as the Chief Representative in Shanghai from November 2001 to October 2004, in which Mr. Huang was mainly responsible for the private equity investment businesses of AIG and the establishment of AIG's first office in China. Mr. Huang currently serves as the founder of Juntong Investment Management (HK) Co., Ltd (君同資本管理(香港)有限公司) ("Juntong"), which is a private equity investment institution established in 2014, headquartered in Shanghai and Hong Kong. Before the establishment of Juntong, Mr. Huang also served as one of the Global Partners of Pantheon Ventures between December 2004 and June 2014, an international fund of funds institution, in which Mr. Huang was mainly responsible for the equity investments and transactions in the Asia-Pacific region.

Mr. Huang obtained his bachelor degree in finance from Shanghai University of Finance and Economics (上海財經大學) in July 1991 and completed his EMBA Programme of PBC School of Finance, Tsinghua University (清華大學五道口金融學院) in January 2018.

**Mr. Wang Baogang (王寶剛先生)**, aged 54, is a seasoned executive with extensive cross-industry experiences, having successfully adapted his skills to diverse sectors. Mr. Wang served as a General Manager at the Tianjin Economic-Technological Development Area Labor Services Corporation (天津開發區勞動服務總公司) from July 1992 to April 2002. He then worked as the Deputy General Manager in Tianjin Yuantian Breeding Co., Ltd. (天津市原田養殖有限公司) and as the General Manager of Tianjin Sunshine Xindi Investment Co., Ltd. (天津陽光鑫地投資有限公司), respectively, between May 2002 and October 2007. Mr. Wang was the Vice President and President of Northern Region of Shanghai Industrial Development Co., Ltd., a company which is listed on the Shanghai Stock Exchange (stock code: 600748.SH) from November 2007 to December 2010. Mr. Wang then joined Tianjin East Coast Construction Co., Ltd. (天津東岸建設有限公司) as the General Manager from January 2011 to December 2023. He also served a financial services company, Tianjin Yuwei Investment Co., Ltd. (天津昱煒投資有限公司), as the Chairman in January 2011 where he still remains. Mr. Wang is also a director of China Pacific Merchants Limited (維昌洋行有限公司) since June 2019 where he remains. Mr. Wang was appointed as the Deputy General Manager of Beijing Jinpeng Tianhang Freight Forwarding Co., Ltd. (北京金鵬天航貨運代理有限公司) and the representative of Xchange Logistics Corporation in China since July 2022. In October 2023, Mr. Wang was one of the founding partners who established the Hefei Xinkaihu Venture Capital Partnership (Limited Partnership) (合肥新開湖創業投資合夥企業(有限合夥)) where he still remains.

Mr. Wang obtained his bachelor degree in economics from Nankai University (南開大學) in July 1992 and completed the EMBA Programme of Cheung Kong Graduate School of Business (長江商學院) in September 2018.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### INDEPENDENT NON-EXECUTIVE DIRECTORS — CONTINUED

**Dr. Wang Jiwei (王紀偉博士)**, aged 49, obtained his bachelor degree in economics from Xi'an Jiaotong University (西安交通大學) in July 1998 and completed his doctoral degree in accounting from Hong Kong University of Science and Technology in November 2003. Dr. Wang is also a Fellow of CPA Australia. Following the completion of his doctoral degree, Dr. Wang joined Singapore Management University ("SMU") in July 2003 as an assistant professor of accounting and currently serves as a full professor of accounting. Dr. Wang was also responsible as the programme director of Master of Professional Accounting programme and Master of Science in Accounting (Data & Analytics) programme at SMU. He is currently the Associate Dean (Postgraduate Professional Programmes) at SMU. Meanwhile, Dr. Wang has been serving as an independent director of Zhejiang Qianjiang Motorcycle Co., Ltd, a company which is listed on the Shenzhen Stock Exchange (stock code: 000913.SZ), since May 2024 and an independent director of Farasis Energy (Gan Zhou) Co., Ltd., a company which is listed on the Shanghai Stock Exchange STAR Market (stock code: 688567.SS), since June 2022. Dr Wang was awarded with The Public Administration Medal (Bronze) by the President of the Republic of Singapore in 2022.

### SENIOR MANAGEMENT

**Mr. Huang Jin Hong**, aged 52, holds a Master's degree in Computer Software Applications from Xi'an Jiaotong University. He joined Geely Technology Group in January 2023 as Vice President of the Group, overseeing the supply chain division of the Group and its subsidiaries. Prior to joining the Group, Mr. Huang served as Assistant to the President at Tianneng Holding Group and as Chief Operating Officer at Luster Lighttech Co, Ltd. He has over 20 years of extensive international and domestic management experience in procurement and supply chain, project management, and corporate operations.

He joined the Company in November 2025 as a Vice President, responsible for the establishment and management of the Company's supply chain system, as well as the operation and management of SAM iron ore project.

**Ms. Zhu Beini**, aged 36, holds a Bachelor's degree in Inorganic Non-metallic Materials Engineering from Hefei University of Technology. Ms. Zhu has nearly fifteen years of experience in human resources. She previously served as the Director of the Cadre and Performance Department of Geely Holding Group and as the Deputy Chief Human Resources Officer of Geely Auto Group. She is currently the Chief Human Resources Officer and Assistant to the President of Geely Technology Group, the Chairman of Joma Co., Ltd., and a director of Sichuan Aerofugia Technology Co., Ltd. Ms. Zhu joined the Company in November 2025 and serves as the Chief Human Resources Officer of the Company.

**Mr. Li Yat Ming**, aged 45, holds a Bachelor of Arts (Honours) in Accountancy from The Hong Kong Polytechnic University and a Postgraduate Certificate in Corporate Compliance from The University of Hong Kong School of Professional and Continuing Education. He is a Fellow of the Hong Kong Institute of Certified Public Accountants and Affiliate of the Society of Chinese Accountants & Auditors. Mr. Li is also a member of Hong Kong Securities and Investment Institute and the Hong Kong Investor Relations Association. Mr. Li has over 20 years of experience in accounting, auditing, financial management, taxation and company secretarial fields with various accounting firms including an international accounting firm and a company listed in the main board of The Stock Exchange of Hong Kong. He joined the Company as Chief Financial Officer and Company Secretary in May 2025.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT — CONTINUED

**Mr. Jin Yongshi**, aged 45, holds a Bachelor's degree in Mineral Processing Engineering and a Master's degree in Ferrous Metallurgy Engineering from the School of Mineral Processing and Bioengineering of Central South University in China. Mr. Jin has over 15 years experience in participating varieties of mine projects in China and abroad. Prior to joining the Group, he worked in China ENFI Engineering Corporation (formerly China Nonferrous Engineering and Research Institute) as a design manager of mine projects and also a senior engineer in Mineral Processing, he once provided consulting and engineering design service for lots of large-scale mine projects. Moreover, Mr. Jin also has extensive experience in purchasing worldwide mine properties, he once worked as a technical adviser for a Chinese listed company which was involved in international mine business. He joined the Company in March 2014 and since March 2015, Mr. Jin became an executive director of SAM.

## DIRECTORS' REPORT

The Directors of the Company present their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities, place of operation and issued share capital of its principal subsidiaries are set out in Note 37 to the consolidated financial statements.

### BUSINESS REVIEW

The business review of the Group for the year is set out in the "Management Discussion and Analysis" section of this annual report. There was no exploration, installation and production activity for our iron ore project in Brazil during the year, while relevant resources details are set out in Note 16 to financial statements.

The environmental policies and performance, and relationships with employees, customers and suppliers, supply chain management are set out in the Environmental, Social and Governance Report of this annual report.

The principal risks and uncertainties facing the Company are set out in the "Management Discussion and Analysis" section in this annual report.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

### FINANCIAL SUMMARY

A summary of the results of the Group for the last five financial years is set out on page 171 of this annual report.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 15 to the consolidated financial statements.

### SHARE CAPITAL, SHARE OPTIONS AND EQUITY-LINKED AGREEMENTS

Details of movements in the Company's share capital during the year are set out in Note 33 to the consolidated financial statements.

Saves as disclosed in the section headed "Share Option Schemes", no equity-linked agreement was entered into by the Group, or subsisted during the year ended 31 December 2025.

### PERMITTED INDEMNITY PROVISION

Every Director is entitled to be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him in the execution and discharge of his or her duties or in relation thereto.

There is in place a directors' liabilities insurance cover in respect of legal action against directors. The relevant provisions in the directors' liabilities insurance were in force during the financial year ended 31 December 2025 and as at the date of this report.

## DIRECTORS' REPORT

### MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the year ended 31 December 2025.

### DIRECTORS

The Directors of the Company:

#### Executive Directors:

Mr. Xu Zhihao (*Chairman and Chief Executive Officer*)  
Mr. Xu Bing  
Mr. Chen Shengjie  
Ms. Gu Wenting  
Mr. Liu Wei, William (Retired on 1 April 2025)

#### Non-Executive Director:

Mr. Yan Weimin (Retired on 23 June 2025)

#### Independent Non-Executive Directors

Dr. Wang Jiwei (Appointed on 23 June 2025)  
Mr. Wang Baogang (Appointed on 23 June 2025)  
Mr. Huang Yongzhong (Appointed on 23 June 2025)  
Mr. Chan Chun Wai, Tony (Retired on 23 June 2025)  
Mr. Ma Gang (Retired on 23 June 2025)  
Mr. Ha Chun (Retired on 23 June 2025)

In accordance with Article 116 of the amended and restated memorandum and articles of association of the Company (the "Articles of Association"), Mr. Xu Bing, Mr. Chen Shengjie and Ms. Gu Wenting will retire by rotation and being eligible, offer themselves for re-election at the Company's forthcoming annual general meeting.

On 21 May 2025, each of Dr. Wang Jiwei, Mr. Wang Baogang and Mr. Huang Yongzhong received the legal advice from a firm of solicitors qualified to advise on Hong Kong laws as regards the requirements under the GEM Listing Rules that are applicable to them as a Director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Each of them confirmed that he understood his obligations as a Director of the Company.

### DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors entered into a service contract with the Company which shall continue thereafter unless and until terminated by either party serving to the other not less than three months' notice in writing.

None of the Directors has entered into any service contract or has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## DIRECTORS' REPORT

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, relating to the required standards of dealing by directors of listed issuers, to be notified to the Company and the Stock Exchange were as follows:

#### Long positions in the ordinary shares of HK\$0.001 each of the Company

Name of director	Number of shares in the Company			Total	Approximate percentage of shareholding (Note) (%)
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Xu Zhihao	422,000,000	–	–	422,000,000	2.90

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 31 December 2025, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## DIRECTORS' REPORT

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

As at 31 December 2025, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

Name of Shareholder	Number of Shares in the Company			Total number of shares held	Approximate percentage of shareholding (Note 6)
	Beneficial owner	Interest of spouse	Interests of controlled corporation		
Li Shufu (Note 1)	103,064,000	50,000,000	9,700,374,675	9,853,438,675	67.70%
Hong Bridge Capital Limited (Note 5)	7,849,699,000	–	–	7,849,699,000	53.93%
Geely International (Hong Kong) Limited	1,850,675,675	–	–	1,850,675,675	12.72%
Zhejiang Geely Holding Group Company Limited (Note 2)	–	–	1,850,675,675	1,850,675,675	12.72%

Notes:

1. Mr. LI Shufu holds 91.08% equity interest of Zhejiang Geely Holding Group Company Limited.
2. Zhejiang Geely Holding Group Company Limited holds 100% equity interest of Geely International (Hong Kong) Limited.
3. Mr. LI Shufu holds 91% equity interest of Zhejiang Jidi Technology Co., Ltd. and 78.17% equity interest of Ningbo Ruima Enterprise Management Partnership (LLP).
4. Zhejiang Jidi Technology Co., Ltd. holds 45% equity interest of Geely Technology Group Co., Ltd. and Ningbo Ruima Enterprise Management Partnership (LLP) holds 55% equity interest of Geely Technology Group Co., Ltd.
5. Geely Technology Group Co., Ltd. indirectly holds 100% equity interest of Hong Bridge Capital Limited.
6. The total number of issued shares as at 31 December 2025 (i.e. 14,554,533,606) has been used in the calculation of the approximate percentage.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any other persons (other than the Directors or 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 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.

### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company received from each of the Independent Non-Executive Directors, Dr. Wang Jiwei, Mr. Wang Baogang and Mr. Huang Yongzhong, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company still considers that all the Independent Non-Executive Directors are independent.

## DIRECTORS' REPORT

### SHARE OPTION SCHEME

During the year 2025, the Company operated a share option scheme adopted on 26 May 2022 (the "Scheme"). Particulars of the Scheme as required under the GEM Listing Rules are set out below:

#### (i) Summary of the Scheme

##### 1. Purpose of the Scheme

The purpose of the Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested Entity.

##### 2. Participants of the Scheme

Participants are any Director, Eligible Employee, adviser, consultant, agent, contractor, customer and supplier of any member of the Group or any Invested Entity whom the Board in its sole discretion considers eligible for the Scheme on the basis of his/her contribution to the development and growth of the Group.

For the purposes of the Scheme, the Options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of Participants or any discretionary object of a Participant which is a discretionary trust.

##### 3. Total number of Shares available for issue under the Scheme

The total number of Shares available for issue under options which may be granted under the Scheme is 985,453,360 Shares, being 10% of the issued share capital immediately following adoption of the Scheme on 26 May 2022. There is no service provider sublimit under the Scheme.

The total number of Shares available for issue pursuant to the grant of further options under the Scheme was 985,453,360, representing 10% of the issued share capital of the Company as at 1 January 2025 and 6.8% of the issued share capital of the Company as at 31 December 2025 and date of this annual report.

No share option was granted, exercised, cancelled or lapsed under the Scheme since the date of its adoption and during the year ended 31 December 2025.

##### 4. Maximum entitlement of each participant

Unless approved by the Shareholders in general meeting in the manner prescribed in the GEM Listing Rules, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each qualified Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue for the time being (the "Individual Limit"). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such Participant and his/her/its close associates (or his/her/its associate if the qualified Participant is a connected person) abstaining from voting.

## DIRECTORS' REPORT

### 5. Time of acceptance and exercise of options

An Option may be accepted by Participant within 21 days from the date of the offer of grant of the Option. An Option may be exercised in accordance with the terms of the Scheme at any time during the option period which the Board may in its sole and absolute discretion determine, save that such period shall end in any event not later than ten years from the date of grant of the Option and subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer of the grant of Options to a Grantee, there is no minimum period or vesting period required under the Scheme for the holding of an option before it can be exercised or vested.

An offer shall be deemed to have been accepted by Participant when the duplicate letter comprising acceptance of the offer duly signed by the Participant together with a non-refundable consideration of HK\$1.00 are received by the Company.

### 6. Basis of determining the exercise price of the option

The exercise price will be determined by the Board as its absolute discretion and notified to a grantee. The minimum exercise price shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Shares on the Offer Date.

### 7. Remaining life of the Scheme

Subject to early termination of the Scheme pursuant to the terms thereof, the Scheme shall be valid and effective for a period of 10 years commencing from the date on which the Scheme becomes effective, i.e. 26 May 2022 and ending on 25 May 2032 and thus the remaining life of the Scheme shall be approximately six years.

Details of the principal terms of the Scheme are summarised under the sub-section headed "SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME" in Appendix III to the Circular of the Company dated 3 May 2022.

### (ii) Details of options granted

The Company has no outstanding Share options as at 1 January 2025 and 31 December 2025.

## DIRECTORS' REPORT

### CONNECTED TRANSACTIONS

Details of the continuing connected transactions are set out in the "Management Discussion and Analysis" section in this annual report.

Pursuant to Rule 20.54 of the GEM Listing Rules, the Board has engaged the auditor to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has confirmed the continuing connected transactions in accordance with Rule 20.54 of the GEM Listing Rules and issued an unqualified letter containing their findings and conclusions accordingly. The independent non-executive Directors have confirmed the continuing connected transactions in accordance with Rule 20.53 of the GEM Listing Rules.

Specifically, the independent non-executive Directors have reviewed the continuing connected transactions and the unqualified letter from the auditor and have confirmed that the continuing connected transactions entered into by the Group were in the ordinary and usual course of its business, on normal commercial terms, or on terms no less favourable than terms available to or from independent third parties, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the Shareholders as a whole.

In the opinion of the independent non-executive Directors, these transactions entered into by the Group were:

- (1) in the ordinary and usual course of its business;
- (2) on normal commercial terms or better;
- (3) in accordance with the terms of agreements governing them on terms that are fair and reasonable so far as the shareholders of the Company are concerned and in the interests of the shareholders of the Company as a whole; and
- (4) within the relevant cap amounts as disclosed in previous announcements.

Save as disclosed in this annual report, there was no other connected transaction or continuing connected transaction entered into by the Company during the year ended 31 December 2025 which is required to be disclosed under the GEM Listing Rules.

The Company has complied with the applicable requirements under Chapter 20 of the GEM Listing Rules with respect to the connected transaction and continuing connected transactions during the year ended 31 December 2025.

## DIRECTORS' REPORT

### RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 39 to the consolidated financial statements and the consolidated statement of changes in equity respectively.

### DISTRIBUTABLE RESERVE OF THE COMPANY

The share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend payment the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Memorandum and Articles of Association, dividends can be distributed out of the profits and share premium of the Company. The Company's reserve available for distribution to shareholders as at 31 December 2025 amounted to approximately HK\$1,399,961,000 (2024: HK\$1,061,524,000).

### INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders (as defined under the GEM Listing Rules) of the Company or their respective associates had any interest in a business which competes or may compete or had any conflicts of interest with the business of the Group for the year ended 31 December 2025.

### DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to which the Company, its holding company or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

### PRE-EMPTIVE RIGHTS

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

### RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme are set out in Note 3.17 to the consolidated financial statements.

### CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the largest and five largest customers of the Group accounted for approximately 52.7% and approximately 92.9% of the Group's total revenue respectively and the largest and five largest suppliers of the Group accounted for approximately 77.3% and approximately 93.9% of the Group's total purchases respectively.

Except as disclosed in the Connected Transactions section under the Directors' Report, none of the Directors, their associates, or shareholders (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had a beneficial interest in the Group's five largest suppliers and customers as at 31 December 2025.

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

During the year ended 31 December 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## DIRECTORS' REPORT

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the public float of approximately 29.4% of the Company's issued Shares as at 31 December 2025 and has maintained the prescribed public float requirement under the GEM Listing Rules for the year ended 31 December 2025 and up to the date of this report.

### AUDITOR

A resolution will be proposed at the forthcoming annual general meeting of the Company for appointment of auditor of the Company.

On behalf of the Board

**Xu Zhihao**

*Chairman*

Hong Kong

26 March 2026

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standards of corporate governance practices and procedures. The corporate governance principles of the Company emphasises accountability and transparency and are adopted in the best interests of the Company and its shareholders.

The Company complied with the corporate governance code set out in Appendix C1 to the GEM Listing Rules (the “CG Code”) throughout the Year Ended 2025 (for disclosures on the new requirements as set out in the revised CG Code which took effect on 1 July 2025, they will be included in the 2026 annual report to be published in 2027) with the exception of Code Provision C.2.1 and D.2.2. Code provision C.2.1 requires the roles of Chairman and Chief Executive of the Company should be separate and should not be performed by the same individual. The Board believes that Chairman and Chief Executive performed by the same individual enhances governance and strategic delivery, ultimately benefiting the Group’s overall success. Details are discussed in the corporate governance report to be included in annual report 2025 of the Company. Under Code Provision D.2.2, the Group should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective by the audit committee and the Board. The Company has no internal audit function, but it has engaged outsourced internal control reviewer to conduct periodic target reviews. In addition, the audit committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Due to the size and limited complexity of operations, a dedicated internal audit team would not be cost-effective. Nevertheless, the Company will review the need for one on an annual basis and the board will consider to establish an internal audit function once operations reach a specific scale and complexity.

### BOARD COMPOSITION

#### Executive Directors

Mr. Xu Zhihao (*Chairman and Chief Executive Officer*)

Mr. Xu Bing

Mr. Chen Shengjie

Ms. Gu Wenting

Mr. Liu Wei, William (Retired on 1 April 2025)

#### Non-Executive Director

Mr. Yan Weimin (Retired on 23 June 2025)

#### Independent Non-Executive Directors

Dr. Wang Jiwei (Appointed on 23 June 2025)

Mr. Wang Baogang (Appointed on 23 June 2025)

Mr. Huang Yongzhong (Appointed on 23 June 2025)

Mr. Chan Chun Wai, Tony (Retired on 23 June 2025)

Mr. Ma Gang (Retired on 23 June 2025)

Mr. Ha Chun (Retired on 23 June 2025)

As at 31 December 2025, the Board of Directors (the “Board”) of the Company composed of seven Directors, including four Executive Directors and three Independent Non-Executive Directors. One third of the Board are Independent Non-Executive Directors who have appropriate professional qualifications in accounting or related financial management expertise. Biographies of Directors are set out in the Biographical Details of Directors and Senior Management Section of this annual report.

## CORPORATE GOVERNANCE REPORT

### **DIRECTORS' RESPONSIBILITIES**

The Board takes the responsibility to oversee all major matters of the Company, including but not limited to formulating and approving the overall strategies of the Company, monitoring the financial performance and internal control, compliance with laws and regulations (including the GEM Listing Rules) as well as overseeing the risk management system of the Company and monitoring the performance of senior executives.

### **PERMITTED INDEMNITY PROVISION**

Every Director is entitled to be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him in the execution and discharge of his or her duties or in relation thereto.

There is in place a directors' liabilities insurance cover in respect of legal action against directors. The relevant provisions in the directors' liabilities insurance were in force during the financial year ended 31 December 2025 and as at the date of this report.

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Independent Non-Executive Directors play a significant role in the Board as they bring an impartial view on the Company's strategies, performance, control and standard of conduct, as well as ensure that the interests of all shareholders are taken into account and take the lead where potential conflicts of interests arise. All Independent Non-Executive Directors possess appropriate academic, professional qualifications or related financial management experience.

Dr. Wang Jiwei, Mr. Wang Baogang and Mr. Huang Yongzhong entered into a term of service of three years with the Company under formal letters of appointment and is subject to retirement by rotation at least once every three years and offer himself/herself for re-election at the annual general meeting of the Company.

Each of the Independent Non-Executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-Executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Xu Zhihao is the Chairman and the Chief Executive Officer, the Company has deviated from this code provision. However, after considering the aspects listed below, the Board believes that the roles of both Chairman and Chief Executive Officer in Mr. Xu Zhihao have the benefit of ensuring consistent and continuous planning and execution of the Company's strategies.

## CORPORATE GOVERNANCE REPORT

- **Balance of Power:**
  - The Board is assured that its governance framework will not compromise the distribution of power and authority between the Board and company management.
  - Comprised of seasoned and high-quality individuals with proven integrity, the Board provides solid oversight.
- **Voting Procedures:**
  - Decisions of the Board are reached through majority consensus, which promotes democratic and clear governance.
- **Agility in Response:**
  - This governance framework facilitates a rapid adaptation to the fast-changing business landscape.
  - It enhances effective oversight and execution of business processes, leading to improved operational efficiency.
- **Leadership Framework:**
  - Merging two roles under one individual offers the Group strong, cohesive leadership.
  - This merging of responsibilities bolsters the formulation and implementation of the Group's business strategies, contributing positively to overall organizational coherence.

In summary, the Board believes that this structure enhances governance and strategic delivery, ultimately benefiting the Group's overall success.

The Chairman and Chief Executive Officer ensures that Directors receive clear, complete and adequate information and are properly briefed prior to Board meetings. He also ensures that good corporate governance practices and procedures are established, and that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The Chairman and Chief Executive Officer has also delegated the Company Secretary to draw up and approve the agenda for each Board meeting with the recommendation of other Directors.

The Chairman and Chief Executive Officer encourages the Directors to fully and actively participate in the Board's affairs, taking the lead to assure that the Board acts in the best interests of the Company. The Chairman and Chief Executive Officer also promotes a culture to facilitate effective contribution and encourages the Directors to express dissenting views and concerns and allow sufficient discussion of issues before decisions are made.

## CORPORATE GOVERNANCE REPORT

The Chairman and Chief Executive Officer focus on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations and are also responsible for developing strategic plans, formulating and reviewing the organisational structure, control systems and internal procedures and processes for the Board's approval.

### DELEGATION BY THE BOARD

Daily operation and managing of the business of the Group, inter alia, the implementation of strategies are delegated to the Executive Directors along with other senior executives. They report periodically to the Board their work and business decisions.

### MEETINGS OF THE BOARD

The following meetings were held during the financial year ended 31 December 2025 and the attendance records of the Directors are as follows:

Name of Director and Position	Extraordinary General Meeting	Annual General Meeting	Board Meetings	Audit Committee Meetings	Nomination Committee Meeting	Remuneration Committee Meeting
<b>Executive Directors</b>						
Mr. Xu Zhihao ( <i>Chairman and Chief Executive Officer</i> )	1/1	1/1	6/6	–	2/2	–
Mr. Xu Bing	1/1	1/1	6/6	–	2/2	1/1
Mr. Chen Shengjie	1/1	1/1	6/6	–	–	3/3
Ms. Gu Wenting	1/1	1/1	6/6	–	–	2/2
Mr. Liu Wei, William (Retired on 1 April 2025)	1/1	–	4/4	–	–	–
<b>Non-Executive Directors</b>						
Mr. Yan Weimin (Retired on 23 June 2025)	1/1	1/1	3/4	–	–	–
<b>Independent Non-Executive Directors</b>						
Mr. Chan Chun Wai, Tony (Ceased with effect from 23 June 2025)	1/1	1/1	4/4	2/2	2/2	2/2
Mr. Ma Gang (Ceased with effect from 23 June 2025)	1/1	1/1	4/4	2/2	2/2	2/2
Mr. Ha Chun (Ceased with effect from 23 June 2025)	1/1	1/1	4/4	2/2	2/2	2/2
Dr. Wang Jiwei (Appointed on 23 June 2025)	–	–	2/2	1/1	–	1/1
Mr. Wang Baogang (Appointed on 23 June 2025)	–	–	1/2	1/1	–	1/1
Mr. Huang Yongzhong (Appointed on 23 June 2025)	–	–	2/2	1/1	–	1/1

## CORPORATE GOVERNANCE REPORT

Formal notice of at least 14 days is given to the Directors for regular board meetings. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Articles of Association of the Company. The Company Secretary ensures that the procedure and all applicable rules and regulations are strictly and fully complied with. Minutes of board meetings and meetings of board committees are kept by the Company Secretary and are available for inspection at any reasonable time on reasonable notice by any Directors.

Director shall have full access to information of the Group and are able to obtain independent views and inputs according to the mechanism below:

- Three Directors are independent non-executive directors (“INEDs”) and INEDs will be appointed to all Board committees as far as possible to ensure independent views are available. Currently, the audit committee and remuneration committee are chaired by INED.
- All Directors shall have full access to information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the company secretary and, where deemed necessary, independent advice from independent professional advisers, including but not limited to financial advisor, valuer, lawyer, etc. at the Company’s expense.
- A Director (including INED) who has material interest in the subject transaction or arrangement shall abstain from voting on the relevant Board resolution.
- Where a substantial shareholder or a director has a conflict of interest in a matter considered to be material by the Board, the matter would be considered and discussed in a physical board meeting rather than a written resolution, with INEDs who have no conflicting interests present in the meeting.

The Board will review the implementation and effectiveness of the mechanisms annually.

### Board Performance Evaluation

The Board had appointed an independent external services provider to conduct an evaluation of the performance of the Board in respect of the following areas:

- Board Composition and Structure
- Strategic Oversight
- Risk Management and Internal Control
- Meeting Effectiveness
- Stakeholder Engagement

## CORPORATE GOVERNANCE REPORT

The evaluation was conducted through:

- Review of Board and committee meeting minutes and attendance records
- Interviews with key directors and management personnel
- Analysis of Board composition against strategic objectives
- Benchmarking against enhanced Corporate Governance Code requirements

As all the existing Independent Non-Executive Directors were appointed on 23 June 2025, the evaluation on them covered only six months period ended 31 December 2025. In order to have a more meaningful evaluation, such board performance evaluation will continue to cover an additional period for the year ended 31 December 2026. The results of the full evaluation will be disclosed in the next corporate governance report to be published together with the 2026 annual report of the Company in 2027. Such board performance evaluation will be conducted at least once in every two years.

### **APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS**

A formal written procedure and policy has been adopted by the Board for the appointment of new directors. Newly appointed Directors would receive induction on the occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities under applicable laws, rules and regulations and the Group's various governance and internal control policies. According to the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

The Company may by ordinary resolution at any time remove a Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead.

### **DIVERSITY POLICY**

In order to enhance the effectiveness of the Board, the Company has adopted a board diversity policy (the "Policy") which sets out the approach to achieve diversity on the Board. The Company reviews the implementation and effectiveness of the Policy on an annual basis, and seeks to achieve Board diversity through the consideration of a number of measurable objectives or factors, including but not limited to gender, age, cultural and education background, professional experience, skills and knowledge.

The Board will review such objectives from time to time and at least annually to ensure their appropriateness and ascertain the progress made towards achieving those objectives. For example, the Board will review the gender of employees every year and monitor if fair opportunities are given without regard for their gender and try to achieve a more balanced ratio. The Nomination Committee will review the Policy from time to time and at least annually to ensure its continued effectiveness. After approval of the Nomination committee and the Board, the Company has appointed one female Director since 2024. The Policy has developed a pipeline of potential successors to the board to achieve gender diversity.

## CORPORATE GOVERNANCE REPORT

The breakdown of employees according to gender, age group, employment type, and geographical region and recruitment policy are disclosed in the environmental, social and governance report of the Company in this annual report.

### TRAINING

To ensure Directors' contribution to the Board remains informed and relevant and in compliance with Rule 5.02F of the GEM Listing Rules, all Directors must receive continuous professional development to develop and refresh their knowledge and skills in each financial year of the Company.

During the year ended 31 December 2025, the Company has provided briefings and other training to develop and refresh the Directors' knowledge and skills, and updates all Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices in each financial year of the Company.

None of the directors of the Company is subject to the minimum training hours requirements under Rule 5.02H of the GEM Listing Rules as all of them were appointed before 1 July 2025.

During the year ended 31 December 2025, the training of the Directors had covered the following topics: (i) Directors' duties and responsibilities; (ii) Corporate governance and board practices; (iii) ESG regulatory developments; (iv) Risk management and internal controls; (v) Recent updates on GEM Listing Rules and securities laws; (vi) Industry and market development relevant to the Group.

A summary of training taken by the Directors during the year ended 31 December 2025 is set out as follows:

**Training activities including in-house activities/briefings, seminars/talks held by professional organisations and/or reading materials on relevant topics**

#### Executive Directors:

Mr. Xu Zhihao	✓
Mr. Xu Bing	✓
Mr. Chen Shengjie	✓
Ms. Gu Wenting	✓

#### Independent Non-Executive Directors:

Dr. Wang Jiwei	✓
Mr. Wang Baogang	✓
Mr. Huang Yongzhong	✓

## CORPORATE GOVERNANCE REPORT

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules for Directors.

All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standards of dealings and its code of conduct regarding the directors' securities transaction throughout the year ended 31 December 2025.

### RISK MANAGEMENT AND INTERNAL CONTROL

Recognising that a well-designed and effective system of internal control is crucial to safeguard the assets of the Company and the shareholders' investment and maintaining proper accounts to ensure the reliability of financial reporting as well as compliance with the relevant requirement of GEM Listing Rules, the Directors acknowledge that they have overall responsibility for overseeing the Company's internal control, financial control and risk management system and shall monitor its effectiveness on an ongoing basis. A review of the effectiveness of the risk management and internal control systems has been conducted by the Board at least annually.

Aimed at providing reasonable assurance against material errors, losses or fraud, the Company has established risk management procedures which comprised the following steps:

- Identify risks: Identify major and significant risks (including ESG risks) that could affect the achievement of goals of the Group;
- Risk assessment: Assess and evaluate the identified risk according to its likely impact and the likelihood of occurrence;
- Risk mitigation: Develop effective control activities to mitigate the risks.

Risk identification and assessment is performed or updated annually, and the results of risk assessment, evaluation and mitigation of each functions or operation are documented in the Risk Registry to communicate to the Board and Management for reviews.

The Company has in place an internal control system which is compatible with The Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The COSO framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

## CORPORATE GOVERNANCE REPORT

The five key components of the COSO framework are shown as follows:

- **Control Environment:** Serves as an umbrella for the other 4 components which is the set of standards, processes, and structures that provide the basis for carrying out internal control across the Company.
- **Risk Assessment:** Identify what the relevant risks are that could form potential barriers to the completion of the company's objectives. Using this information, the Board and management should form basic plans on how these obstacles can be managed or avoided.
- **Control Activities:** Help ensure that necessary actions are taken to address risks to the achievement of the Company's objectives.
- **Information and Communication:** Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- **Monitoring:** Ongoing and separate evaluations to ensure all component of internal control is present and implemented.

The Group's risk management and internal control systems are, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

A review on the internal control systems of the Company, including financial, operational and compliance controls and risk management functions has been carried out in 2025 by an independent consultancy company with staff in possession of relevant expertise to conduct an independent review.

The Company's audit committee reviewed the internal control review report issued by the independent consultancy company and the Company's risk management and internal control systems in respect of the year ended 31 December 2025 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the audit committee and concurred the same.

Under Code Provision D.2.2 of the CG Code, the Group should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective by the audit committee and the Board. The Company has no internal audit function, but it has engaged outsourced internal control reviewer to conduct periodic target reviews. In addition, the audit committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Due to the size and limited complexity of operations, a dedicated internal audit team would not be cost-effective. Nevertheless, the Company will review the need for one on an annual basis and the board will consider to establish an internal audit function once operations reach a specific scale and complexity.

### **WHISTLEBLOWING POLICY AND ANTI-CORRUPTION POLICY**

The Company has in place a whistleblowing policy and anti-corruption policy and they are disclosed on the website of the Company.

## CORPORATE GOVERNANCE REPORT

### DISCLOSURE OF INSIDE INFORMATION

The Group has in place a Policy on Disclosure of Inside Information which sets out the procedures and internal controls for handling and dissemination of inside information.

The policy provides guidelines to the Directors, officers and all relevant employees of the Group to ensure proper safeguards exist to prevent the Company from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Key procedures in place include:

- Define the requirements of periodic financial and operational reporting to the Board and Company Secretary to enable them to assess inside information and make timely disclosures, if necessary;
- controls the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to public;
- procedures of communicating with the Group's stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the GEM Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs.

To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Hong Kong Exchanges and Clearing Limited's website and the Company's website.

### COMPANY SECRETARY

Being an employee of the Company, the company secretary reports to the Chairman and Chief Executive Officer and assists the Board by ensuring the Board policy and procedures are followed. The company secretary is also responsible for advising the Board on corporate governance matters. As an employee of the Company, the company secretary has confirmed that for the year under review, he has taken no less than 15 hours of relevant professional training.

### ACCOUNTABILITY AND AUDIT

The Directors were provided with major financial information and the related explanation and information of the Company that would enable them to make an informed assessment. The Directors acknowledge their responsibility for preparing the financial statements of the Group for each financial period. The Directors ensure the preparation of the financial statements of the Group are in accordance with statutory requirements and applicable accounting standards. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable; and prepared accounts on a going concern basis. During the year, the Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the Auditor of the Company about its reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 88 to 91 of this annual report.

## CORPORATE GOVERNANCE REPORT

### DIVIDEND POLICY

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia: (i) the general operational and financial condition of the Group; (ii) the latest capital and debt level of the Group; (iii) future cash requirements, business strategies and future development needs; (iv) any restrictions on payment of dividends that may be imposed by the Group's creditors (if any); (v) the general market conditions; and (vi) any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the articles of association of the Company. The Dividend Policy will continue to be reviewed by the Board from time to time.

### AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the Company's auditor, BDO Limited, shall receive approximately HK\$1.28 million for audit services.

### AUDIT COMMITTEE

The primary duties of the audit committee of the Company (the "Audit Committee") are to review and supervise the financial reporting, internal control procedures, whistleblowing policy and risk management system of the Group. Other duties of the Audit Committee are set out in its specific terms of reference, which are posted on the websites of the Company and the Stock Exchange respectively. Current Audit Committee members comprise Dr. Wang Jiwei (*Committee Chairman*), Mr. Wang Baogang and Mr. Huang Yongzhong, all are Independent Non-Executive Directors of the Company.

During the year, the audit committee held three meetings to review and comment on the Company's 2024 annual results and 2025 half-yearly results as well as the Company's internal control procedures and risk management system. Full attendance was recorded for two meetings.

The Group's annual report for the year ended 31 December 2025 were reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

The terms of reference of the Audit Committee are published on the Company's website (<http://www.8137.hk>) and the Stock Exchange's website (<http://www.hkexnews.hk>) for Shareholders' inspection.

### RELATIONSHIP WITH THE EXTERNAL AUDITOR

Apart from meeting with the Company's external auditor for approving the annual results, the Audit Committee also meets with the external auditor in the absence of the management team of the Company, including executive Directors, whenever necessary to discuss any issues related to the audit (e.g. nature and scope of the audit, key audit matters, reporting obligations, audit fee, nature and scope of non-audit service provided, those arising from the audit (e.g. judgment used in the financial reporting, compliance with financial reporting and auditing standards), etc.) so as to review and monitor the independence and objectivity of the Company's external auditor, and the effectiveness of the audit process in accordance with applicable standards.

## CORPORATE GOVERNANCE REPORT

### REMUNERATION COMMITTEE

The Committee members comprise Mr. Huang Yongzhong (*Committee Chairman*), Mr. Xu Bing, Mr. Chen Shengjie, Dr. Wang Jiwei and Mr. Wang Baogang. The Committee had three meetings in 2025 which was attended by all Committee members at the date of the meetings.

The role and function of the Remuneration Committee is to determine the policy for the remuneration package of executive Directors and senior management; to assess the performance of executive Directors and senior management; to approve the terms of service contracts of executive Directors and senior management; to make recommendations to the Board on the remuneration of executive Directors and senior management, and to make recommendations to the Board on the remuneration of non-executive Directors. The policy for the remuneration of Executive Directors and the Senior Management was reviewed by the Committee and recommendations will be made to the Board on the terms and remuneration packages of individual executive directors and senior management. Remuneration packages, including basic salary, performance bonus, grant of share options, if any, of the Executive Directors and Senior Management is based on skills, knowledge, involvement and performance of the individuals by reference to the Company's performance and profitability, as well as industry practice. Granting share options is considered as one of the means for giving long term benefits to and retaining staff.

Sufficient resources is provided and reimbursement is allowed for out-of-pocket expenses incurred in connection with the performance of their duties including but not limited to attendance at board meetings and committee meetings. The details of remuneration payable to directors of the Company is set out in Note 14 to the financial statements.

The terms of reference of the Remuneration Committee are published on the Company's website (<http://www.8137.hk>) and the Stock Exchange's website (<http://www.hkexnews.hk>) for Shareholders' inspection.

### NOMINATION COMMITTEE

Current Committee members comprise are Mr. Xu Zhihao (*Chairman of the Committee*), Mr. Xu Bing, Ms. Gu Wenting, Dr. Wang Jiwei and Mr. Wang Baogang. The Committee meets at least once every year and additional meetings shall be held as the work of the Committee demands. The Committee had two meetings in 2025 which was attended by all Committee members at the date of the meetings.

The primary duties of nomination committee is to (i) review the structure, size and composition (including the skills, knowledge, experience, age, gender and length of service) of the Board at least annually; and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy; (ii) consider the selection of Directors; (iii) identify and nominate candidates to the Board for it to recommend to Shareholders for election as Directors. Sufficient biographical details of nominated candidates shall be provided to the Board and Shareholders to enable them to make an informed decision; (iv) consider the skill mix needed in respect of the Directors, and make recommendations to the Board; (v) identify and nominate candidates to fill casual vacancies of Directors for the Board's approval; (vi) assess the independence of Independent Non-executive Directors and review the Independent Non-executive Directors' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report; (vii) to review annually the time commitment required of directors and to evaluate whether directors have committed adequate time to discharge their responsibilities; (viii) make recommendations to the Board on relevant matters relating to the succession

## CORPORATE GOVERNANCE REPORT

planning for the Chairman, the Chief Executive as well as the senior management; (ix) do any such things to enable the Committee to discharge its powers and functions conferred on it by the Board; (x) conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Company's constitution or imposed by legislation; and (xi) to review the board diversity policy, as appropriate, to ensure its effectiveness; and review the measurable objectives that the board has set for implementing the board diversity policy and the progress on achieving these objectives.

### Procedures and Process for Nomination of Director by the Nomination Committee

Upon identifying a director candidate, the Nomination Committee initially determines the need for additional or replacement Board members and evaluates the director candidate under a range of objective criteria based on the information the Nomination Committee receives with the recommendation or otherwise possesses, which may be supplemented by certain inquiries. If the Nomination Committee determines, in consultation with other Board members, including the Chairman, that a more comprehensive evaluation is warranted, the Nomination Committee may then obtain additional information about the director candidate's background and experience, including by means of interviews. The Nomination Committee will then evaluate the director candidate further, again using the evaluation criteria described above. The Nomination Committee receives input on such director candidates from other directors, including the Chairman, and recommends director candidates to the Board for nomination. The Nomination Committee may engage a third party to assist in the search for director candidates or to assist in gathering information regarding a director candidate's background and experience. If such third party is engaged, the Company will pay for the services to enable the Nomination Committee discharging the duties.

The terms of reference of the Nomination Committee are published on the Company's website (<http://www.8137.hk>) and the Stock Exchange's website (<http://www.hkexnews.hk>) for Shareholders' inspection.

### EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence with reference to the Board's corporate goals and objectives. The emoluments of the Directors are determined by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

### REMUNERATION OF THE SENIOR MANAGEMENT

The remuneration of the senior management of our Group for the year ended 31 December 2025 and 2024 falls within the following band:

	Number of individuals	
	2025	2024
HK\$1,000,001 to HK\$1,500,000	2	3
Below HK\$1,000,001	2	0

## CORPORATE GOVERNANCE REPORT

### SHAREHOLDERS AND INVESTORS RELATIONS

The Group continues to promote and strengthen its relationship with shareholders of the Company and potential investors. The chairman of the Board, members of audit committee and external auditor attended the annual general meeting held on 23 June 2025 to answer questions, if any, at the meeting. As a channel to further enhance communications, the Company will disseminate announcements, corporate notice, and other financial and non-financial information through the Company's website in a timely manner. Since the year ended 31 December 2016, an environmental, social and governance report has been incorporated in the annual report of the Company which further facilitates the communications between shareholders and the Company. The comments and suggestions of shareholders and stakeholders will be recorded and considered as appropriate.

The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year and conclude that it is effective because some minority shareholders have personally approached the company and ask for relevant news.

### SHAREHOLDERS' RIGHTS

Annual report and interim report offer comprehensive information to the Shareholders whereas annual general meetings provide a forum for the Shareholders to exchange views directly with the Board.

Pursuant to Articles 72 of the Company's Articles of Association, an extraordinary general meeting shall be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the shareholders, provided that such shareholders held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within twenty one days from the date of deposit of the requisition proceed duly to convene the meeting, the shareholders themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the shareholders as a result of the failure of the Board shall be reimbursed to them by the Company.

If shareholders would like to put forward proposals at the general meetings, they have to sign a written proposal specifying the details of the proposal and their contact details (e.g. name, telephone number, email address, etc.) and addressing it to the Board (copy to the Company Secretary) then deposit it at the Company's head office in Hong Kong. Shareholders may at any time send their enquiries to the Board by sending the same to the Company at the head office of the Company in Hong Kong and for the attention of the Company Secretary.

### CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year under review.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### INTRODUCTION

Honbridge Holdings Limited and its subsidiaries (the “Group” or “we”) mainly (i) the research, production and sales of lithium-ion batteries in Chinese Mainland, (ii) research and exploration of iron ore in Brazil and (iii) ore trading in Guangxi.

The Group believes that sustainability is the key to achieving continued success and has integrated this concept into its business strategy. To strike a balance between business growth, social needs and environmental impact, we are committed to continuously monitoring the risks and opportunities that exist in our daily operations and upholding a culture of transparency to ensure that our sustainability strategy is effectively communicated to our stakeholders.

This Environmental, Social and Governance Report (the “ESG Report”) discloses the ESG initiatives, plans and performance of the Group transparently and demonstrates its ongoing commitment towards sustainable development.

### SCOPE OF REPORTING

To determine the scope of the report, the Group considers the principle of materiality, its core business and its main revenue source. In 2025, as the Guangxi trading business is a significant revenue of the Group, the Guangxi trading business in the Chinese Mainland will be added to the scope of the report. In the same year, the ride-hailing business operated in France was terminated due to its failure to align with the Group’s long-term development and was therefore not included in the scope of the 2025 report. Therefore, the scope of this ESG report covers the Group’s major business operations and activities in Hong Kong, the Chinese Mainland and Brazil. Because the Group will further expand its scope in the future where feasible.

### REPORTING PERIOD

This ESG report describes the Group’s ESG activities, challenges and measures taken for the year ended 31 December 2025 (“2025”).

### REPORTING FRAMEWORK

This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) set out in Appendix C2 to the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During 2025, the Group confirmed that it has put in place appropriate and effective management policies and internal control systems on ESG issues and confirmed that the disclosed content complied with the requirements of the ESG Reporting Code.

Information related to the Group’s corporate governance structure and practices has been set out in the Corporate Governance Report of this annual report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## REPORTING PRINCIPLES

During the preparing this ESG Report, the Group has applied the reporting principles as stipulated in aforementioned ESG Reporting Code in the following ways:

<b>Materiality</b>	A materiality assessment was conducted to identify material issues during the reporting period, thereby acknowledging the material issues as the focus for preparation of this ESG Report. The materiality of the issues was reviewed and confirmed by the Group. Please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment” for further details.
<b>Quantitative</b>	Supplementary notes are added along with quantitative data disclosed in this ESG report to explain any standards, methodologies, and sources of conversion factors used during the calculation of emissions and energy consumption, and are based on the “Appendix 2: Environmental KPI Reporting Guidelines” and “Appendix 3: Social KPI Reporting Guidelines” published by the Hong Kong Stock Exchange.
<b>Consistency</b>	The preparation approach of this ESG report is substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure or calculation methodologies.

## BOARD STATEMENT

This ESG Report has undergone the internal review process of the Group and was approved by the Board of Directors (the “Board”).

## CONTACT US

Our continuous improvements rely on your valuable feedback. If you have any enquires or recommendations regarding our ESG reports, you are welcome to email us at [info@8137.hk](mailto:info@8137.hk).

## ESG GOVERNANCE FRAMEWORK

The Group has developed a core governance structure to ensure that the alignment of ESG governance with its strategic growth. It aims to integrate ESG practices into daily operations and business decisions. The current ESG governance structure consists of two levels: the board of directors and the ESG working group, with a clear division of labor and respective responsibilities.

The Board assumes overall responsibility for the formulation of the Group’s ESG strategy and related reports, and comprehensively supervises and manages ESG-related risks and opportunities. The Board is responsible for setting ESG-related goals and, with the support of the ESG Working Group, reviews and reviews the Group’s ESG risks and opportunities, performance results, work progress and achievement of targets at least once a year. In addition, the Board will also conduct annual evaluation of the effectiveness of risk management and internal control systems to assures the precision and accuracy of the information disclosed in the ESG reports.

The ESG Taskforce is composed of representatives from different functional departments of the Group, and is responsible for assisting the Board in promoting and implementing various ESG issues. Its primary responsibilities include collecting and analyzing relevant ESG data, monitoring and evaluating the Group’s ESG performance, ensuring compliance with applicable laws and regulatory requirements, and coordinating the preparation of ESG reports. The ESG Taskforce arranges meetings annually to discuss and review important ESG issues, including but not limited to the effectiveness of current ESG policies and procedures, and the progress of sustainable development strategies and goals. The ESG Working Group also regularly reports to the Board on the progress of its work to assist the Board in carrying out its oversight and governance functions. In addition, we have appointed Riskory Consultancy Limited as an independent sustainability consultant to provide ESG advisory services.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### STAKEHOLDER ENGAGEMENT

The Group values the opinions and expectations of various stakeholders on the Group’s business development and ESG issues, and considers stakeholder participation to be an important foundation for promoting sustainable development. The Group maintains close and continuous communication with various stakeholders, including but not limited to management, employees, investors and shareholders, customers, suppliers, governments and regulators, as well as the public and the community. Through diversified communication channels and engagement mechanisms, the Group actively understands the stakeholders’ concerns and recommendations as well as incorporates them into the formulation of operational strategies and ESG measures, striving to create long-term value for the community and work with stakeholders to enhance overall performance and achieve mutual growth.

Stakeholders’ expectations have been taken into consideration by utilizing the diversified engagement methods and communication channels shown below:

Key stakeholders	Engagement channels	Expectations and concerns
Management	Regular meetings Intranet and emails	Employee health and safety Staff development and training Protect the rights and interests of employees Compliance with relevant laws and regulations
Employees	Regular meetings Intranet and emails	Employee health and safety Remuneration and benefits Career development
investors and shareholders	Annual General Meeting Financial reporting Press Releases and Announcements	Compliance with relevant laws and regulations Disclosing timely information of the Group Financial performance Corporate sustainability
Customers	Company website and social media Email and customer service hotline	Assuming product and service responsibilities Customer Information and Privacy Protection
suppliers	Site visits Supplier performance assessments Supplier management meetings and events Supplier audit management system	Fair competition Business Ethics and Reputation Cooperation with mutual benefits
Government and regulators	Site visits and meetings Regular reporting	Compliance with relevant laws and regulations Business ethics
Local community	ESG reports Community Investment Program	Giving back to the community Environmental protection Compliance with relevant laws and regulations

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## MATERIALITY ASSESSMENT

In order to identify ESG issues that are highly relevant to the Group's business operations as an important basis for formulating sustainable development policies and action strategies, and to be highlighted in this report, the Group conducted an internal materiality assessment during the reporting period. The assessment takes into account the nature of the Group's business and operational characteristics, as well as the concerns of key stakeholders, in order to prioritize the material issues identified.

To ensure that this report provides a comprehensive, accurate and objective representation of the Group's ESG performance during the reporting period, the Group has engaged an independent ESG consultant to assist in the following materiality assessment process:

### 1. Identification and review material issues

Based on the materiality assessment results of the Group in previous years, the Group comprehensively examines whether the existing materiality issues and their ranking continue to apply, and assesses whether they can adequately reflect the ESG-related risks and opportunities currently faced by the Group. At the same time, the Group also comprehensively considers a number of internal and external factors to ensure that the identification of material issues is adequate and forward-looking, including:

- the relevant disclosure requirements of the ESG Reporting Code of The Stock Exchange of Hong Kong Limited;
- the Group's actual operating conditions and business development priorities during the reporting period;
- expectations and concerns of the key stakeholders;
- material issues proposed for disclosure by the international metals and mining industry (including MSCI and the Sustainability Accounting Standards Board (SASB)); and
- material issues and related practices disclosed by peers in their ESG reports.

### 2. Revision of Issues and adjustment of the priorities

After taking into account the above factors, the Group's management has conducted a comprehensive review and appropriate revision of the list of materiality issues and their ranking results in previous years to ensure that the relevant issues and their priorities more accurately reflect the Group's current operational priorities and the ESG risks and opportunities it faces.

### 3. Response to material issues

Based on the materiality ranking results of this reporting period, the Group has established its governance policy and management priorities for sustainable development, and has determined the key disclosure areas of this report accordingly to ensure that the relevant content effectively responds to various material issues and stakeholders' concerns.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

List of material issues during the reporting period and their materiality:

Issue name	Degree of materiality
<b>Environment</b>	
1. Climate Change Mitigation and Adaptation	Medium
2. Use of Resources	Medium
3. Air and Greenhouse Gas Emissions	High
4. Waste Management	High
5. Wastewater Management	High
6. Noise Management	Relevant
7. Ecological Impacts	Medium
<b>Employment</b>	
8. Employee Health and Safety	High
9. Employee Training and Development	Medium
10. Prevention of Child labor and forced labor	High
11. Employment Practices	Medium
<b>Operation</b>	
12. Product Safety	High
13. Anti-Corruption	Medium
14. Customer Service	Relevant
15. Supply Chain Management	Medium
16. Self-owned Intellectual Property Right	Relevant
17. Customer Privacy	High
18. Data Security	Medium
<b>Community</b>	
19. Community Investment	Medium

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

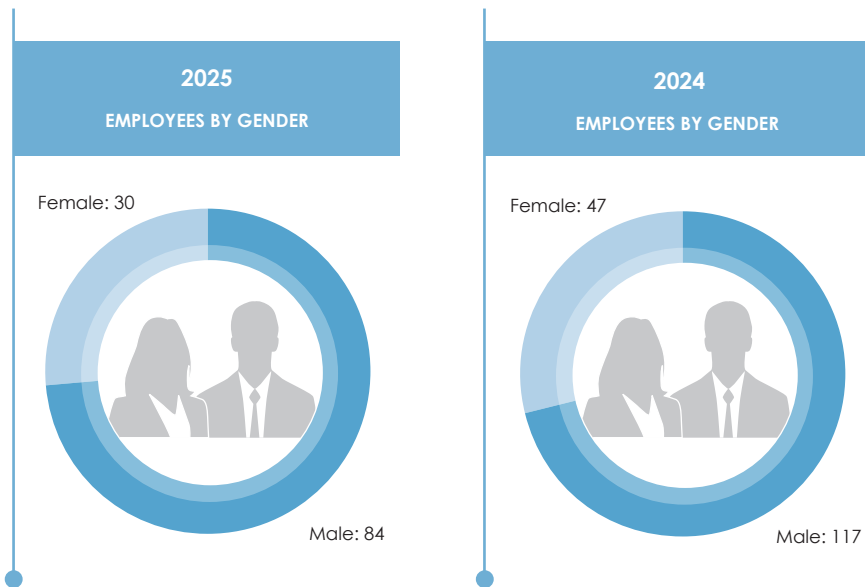
## EMPLOYMENT PRACTICES

The Group believes that talent is one of its most important assets and the foundation of its sustainable development. Employees contribute their time and wisdom to the Group, and the Group is committed to creating a fair and reasonable working environment for employees. The Group is committed to the principle of fairness and impartiality so that all staff have equal opportunities for promotion in the Group.

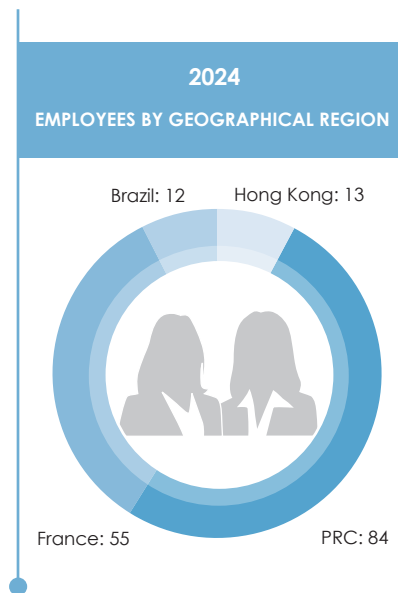
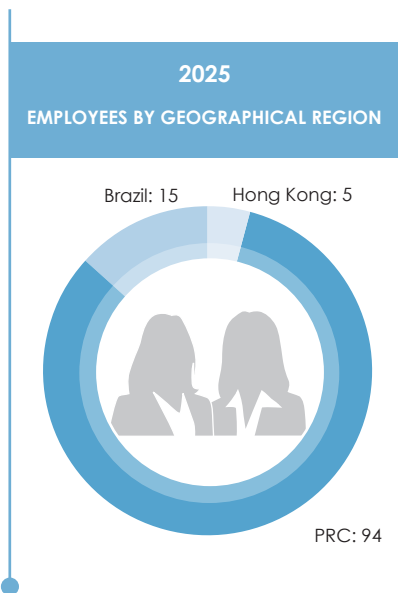
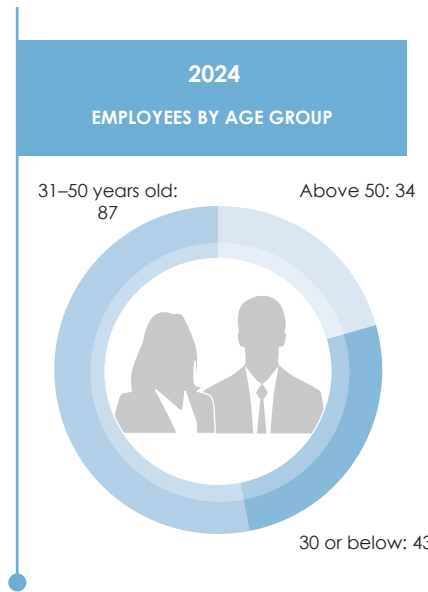
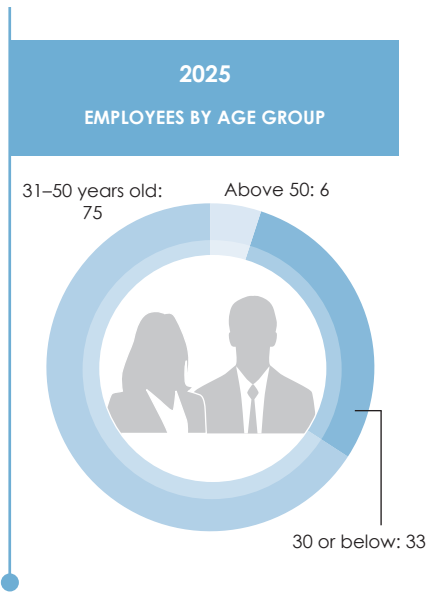
During 2025, the Group was not aware of any serious breaches of employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China, the Employment Ordinance Cap. 57, the Sex Discrimination Ordinance Cap. 480, the Disability Discrimination Ordinance Cap. 487, the Minimum Wage Ordinance Cap.608 of Hong Kong and the Labour Law of Brazil.

### Employees Structure

As at 31 December 2025, the total number of employees of the Group was 114 (as at 31 December 2024: 164). The decline in the number of employees was mainly due to the change in the scope of reporting and the decline in the number of employees in the Chinese Mainland. The breakdown of employees by gender, age group and geographical region is as follows:

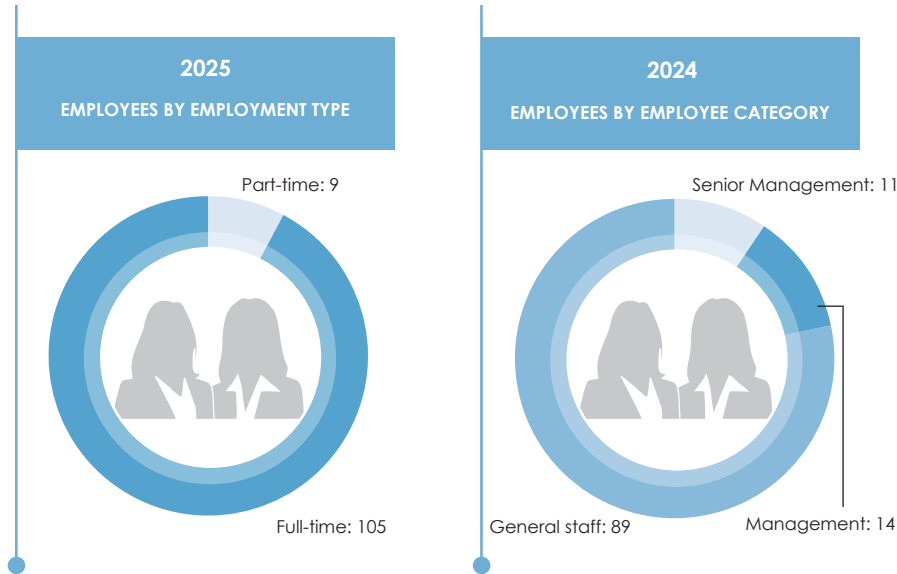


# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As at the end of 2025, the Group’s employee profile by employment type and employee category is as follows:



During 2025, the Group’s employee turnover rate<sup>1</sup> was 69.30% (2024: 40.55%). Employee turnover rates by gender, age group and geographical region Details are as follows:

Category <sup>2</sup>	2025 <sup>3</sup>	2024
<b>By Gender</b>		
Male	80.95%	45.02%
Female	36.67%	27.66%
<b>By Age Group</b>		
Under 30 years old	154.55%	43.48%
30 to 50 years old	34.67%	38.97%
Over 50 years old	33.33%	41.03%
<b>By Geographical Region</b>		
Hong Kong	40.00%	38.46%
Chinese Mainland	77.66%	40.64%
Brazil	26.67%	8.00%
France	–	47.00%

Notes:

1. Employee turnover rate = total number of employees leaving the company in 2025 / number of employees in 2025.
2. Employee turnover rate by category = number of employees leaving a specific category in 2025 / number of employees in a specific category in 2025.
3. The calculation of employee turnover includes all normal turnover.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Recruitment, Diversity and Equal Opportunities

The Group has formulated the “Recruitment Management System” to regulate and standardize employment-related procedures and ensure that the recruitment process is institutionalized and compliant. In response to the needs of business development and upholding the principles of fairness, impartiality and openness, the Group has established a comprehensive and transparent recruitment mechanism, and the selection of candidates is based on their professional ability, work experience and job matching. During the recruitment process, the Group adheres to the principle of equal opportunities and will not make any discriminatory considerations based on factors such as age, race, ancestry, gender identity, marital status, sexual orientation or religion.

The Group adopts a variety of parallel recruitment channels based on different positions and levels. The main channels are as follows:

Referrals	Public Recruitment	Campus Recruitment
<ul style="list-style-type: none"> <li>The Group encourages employees referrals. The Human Resources Department assesses candidates based on their experience and qualifications.</li> <li>Employees who successfully refer suitable candidates will receive a corresponding bonus.</li> </ul>	<ul style="list-style-type: none"> <li>The Group recruits through public media, advertisements in professional publications, websites and professional institutions regularly or as necessary.</li> <li>Each position’s recruitment period shall not exceed 12 weeks.</li> </ul>	<ul style="list-style-type: none"> <li>The Group disseminates timely information to the career centres of different institutions in autumn every year.</li> <li>The Group also participates in job fairs held by universities to recruit fresh graduates from well-known universities through online and on-site screening.</li> </ul>

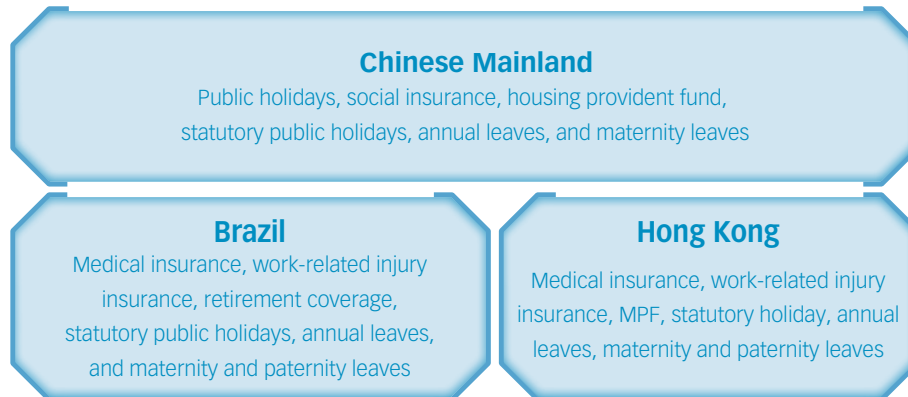
In addition, the Group believes that all employees should have the right to work in an environment free from discrimination, harassment and violation. Therefore, the Group is committed to creating and maintaining an inclusive and harmonious workplace culture. In addition, the Group also adopts a zero-tolerance stance against all forms of discrimination and harassment in the workplace.

### Benefits and Welfare

The Group has established a “Salary Management System” to fully recognize the professional qualifications, work experience and performance achievements of employees through competitive remuneration packages and is committed to creating a positive and progressive team culture. The Group regularly reviews and adjusts the remuneration and benefits arrangements of employees every year according to their work performance and business development needs to ensure that the remuneration system is fair and incentive. In addition, the Group has separately formulated the “Welfare Management System”, which covers various benefits stipulated by local laws and regulations, including traditional holiday benefits, personal event care gifts and academic promotion subsidies. In addition, to further enhance the well-being of employees, the Group distributes festive food or gifts to employees during festivals such as the Lunar New Year and Mid-Autumn Festival, and flexibly arranges different types of holidays (such as marriage leave and compassionate leave) to meet the needs of employees.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A summary of benefits provided to employees in different geographic areas is presented below:



## Working Hours and Rest Periods

The Group has formulated policies governing employees’ working hours and leave arrangements in accordance with the relevant labour laws and regulations of each jurisdiction in which it operates, ensuring compliance and the protection of employees’ rights and interests. Where employees are required to work overtime due to business needs, the Group will pay appropriate remuneration in accordance with the requirements of applicable laws and regulations (including the Minimum Wage Ordinance Cap. 608 of Hong Kong and other relevant labour laws). In the Chinese Mainland, the Group fully complies with the Labour Law of the People’s Republic of China and related implementing regulations to ensure that employment arrangements meet legal requirements. In Brazil, SAM strictly complies with the terms of applicable collective agreements; matters not covered by such agreements are handled in accordance with local labour regulations.

## Compensation and Dismissal

If an employee resigns or is dismissed, the Group will ensure that the employee receives the compensation they deserve in accordance with the employment contract and in accordance with applicable labour laws and regulations. Unreasonable dismissal under any circumstances is strictly prohibited, dismissal will be based on reasonable and lawful grounds supported by internal policies of the Group. The Group has also formulated resignation management procedures to ensure proper handover procedures for resigning personnel and relevant departments.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### EMPLOYEE HEALTH AND SAFETY

To protect our employees, the Group strictly adheres to the slogan of “Safety First” and continuously improves occupational health and safety management. The Group has developed the “Management Manual for Environmental and Occupational Health and Safety Management System”, which was certified with ISO 45001:2018 Occupational Health and Safety Management System. The Group’s management reviews the Handbook annually or in the event of material changes in relevant regulations, the Group’s governance framework or the working environment and makes necessary adjustments and updates accordingly.

During 2025, the Group was not aware of any serious violations of health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, the Work Safety Law of the People’s Republic of China, the Fire Protection Law of the People’s Republic of China, the Occupational Safety and Health Ordinance Cap. 509 of Hong Kong, and the Labor Law of Brazil. There were no reported work-related fatalities that occurred in each of the past three years, including this year. During 2025, there were 0 (2024: 0 cases) of work-related injuries and 0 (2024: 730 days) lost day due to work-related injuries.

Apart from regular assessments on the working environment of manufacturing plants in the Chinese Mainland, the Group has also established a safety and occupational health management system, and set up an occupational health management scheme to eliminate occupational hazards from construction facilities and achieve fundamental safety.

Safety measures implemented in the manufacturing plants in the Chinese Mainland include:

Engineering measures	Training measures	Management measures	Supplies measures
<ul style="list-style-type: none"> <li>• Install devices to control dust for procedures that generate dust</li> <li>• Adopt a closed model in the production to minimise dust exposure for employees</li> </ul>	<ul style="list-style-type: none"> <li>• Arrange regular occupational health training for workers</li> <li>• Organise training at workshops in the form of meetings before and after work</li> </ul>	<ul style="list-style-type: none"> <li>• Establish an occupational health directing group, responsible for management of occupational health</li> <li>• Conduct examinations to identify potential occupational health hazards</li> </ul>	<ul style="list-style-type: none"> <li>• Provide personal protective equipment, such as anti-virus and anti-dust masks, earplugs, safety goggles, safety helmets, protective boots, insulating protective equipment</li> </ul>

The Group organises fire safety lessons and trainings for employees regularly. Fire emergency evacuation drills and fire extinguisher operation drills allow employees to understand the importance of fire safety and improve their awareness of safety precautions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Hong Kong headquarters is required to comply with the Occupational Safety and Health Ordinance Cap. 509 to improve the indoor environment of the Group in order to create a safe and healthy work environment for employees. First aid stations are close to the workplace, clearly marked with signs.

SAM has strictly adhered to Brazil’s regulations of work safety and health standards and prepared an annual Risk Management Program (“PGR”), formerly the Environmental Risk Prevention Program, as well as an Occupational Health Examination Program (“PCMSO”). PGR is a programme for employee health and physical integrity by predicting, identifying, evaluating, and controlling environmental, ergonomic, and accident-related risks in the workplace. Potential risks and hazards of occupation exposure are monitored through systematic and repetitive evaluation with the introduction and modification of control measures as illustrated below:

Work accidents management	Contingency management	Physical examinations	Protective equipment
<ul style="list-style-type: none"> <li>Develop action plans for any work accident, as well as corrective actions</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and implement a solution that aims at promoting and protecting the health of their employees, including in medical emergencies</li> </ul>	<ul style="list-style-type: none"> <li>Arrange physical examinations for employees to prevent, detect, and control potential health risks, especially work-related diseases, and ensure the health of employees</li> </ul>	<ul style="list-style-type: none"> <li>Provide personal protective equipment to employees during their induction training based on the position and function defined in the new PGR and will replace it on a regular basis</li> </ul>

### EMPLOYEE TRAINING AND DEVELOPMENT

The Group believes that providing training opportunities and continuous development to employees can build a solid foundation for the Group’s long-term success. The Group has formulated the “Training Management Measures” and the “External Training Management Measures” to standardize the management of employee training. The Group provides internal and external training to all employees. Employees will receive training according to their positions and levels to achieve different training purposes and effects, thereby improving the Group’s work efficiency and enhancing employees’ independent ability to work.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employees will also be eligible for subsidies provided by the Group to enhance their academic qualifications. During 2025, the Group recorded approximately 88.30% (2024: approximately 59.76%) of employees trained<sup>4</sup> and an average of approximately 12.43 training hours (2024: approximately 20.49 training hours) per employee<sup>5</sup>. The relevant training data by gender and employee category are as follows:

Classification	2025		2024	
	Percentage of employees trained (%) <sup>4</sup>	Average training hours per employee (hours) <sup>5</sup>	Percentage of employees trained (%) <sup>6</sup>	Average training hours per employee (hours) <sup>7</sup>
<b>By Gender</b>				
Male	85.71	7.19	63.25	21.31
Female	96.67	3.52	51.06	18.47
<b>By Employee Category</b>				
Senior management	90.91	17.36	75.00	1.35
Management	100.00	5.36	63.64	21.92
General staff	86.52	4.98	57.60	22.86

Notes:

4. Percentage of employees trained = total number of employees trained in 2025 / total number of employees at the end of 2025.
5. Average training hours per employee = total training hours in 2025 / total number of employees at the end of 2025.
6. Percentage of employees trained by category = Number of employees trained in a specific category in 2025 / Total number of employees in a specific category at the end of 2025.
7. Average training hours by category = training hours of specific categories of employees in 2025 / total number of specific categories of employees at the end of 2025.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## LABOUR STANDARDS

### Prevention of Child Labour and Forced Labour

The Group guarantees that no employee will be forced to work against his/her will or be coerced to work. Child labour and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with local laws and prohibits any child labour or forced labour, as stipulated in the Group's Recruitment Management System. The Group's Human Resources Department is responsible for monitoring and ensuring compliance with the latest and most relevant laws and regulations that prohibit child labour and forced labour.

To avoid illegal employment of child labour and forced labour, personal data is collected during the recruitment process to assist in screening suitable candidates and verifying their personal identities. The Human Resources Department also ensures that identification documents are carefully checked. In the event of any non-compliance, corrective action will be taken immediately to resolve the non-compliance, including termination of the employment contract and reporting to the relevant government departments.

During 2025, the Group was not aware of any significant non-compliance of laws and regulations related to child labour and forced labour, including but not limited to the Labour Law of the People's Republic of China, the Employment Ordinance Cap. 57 of Hong Kong, and the Labor Law of Brazil.

## SUPPLY CHAIN MANAGEMENT

With reference to the specific product requirements from the Group's Quality Department, Research and Development Department, and Production Department, the Procurement Department has prepared supplier management and regulation documents to ensure the consistency, reliability, and passing rate of the products.

The Procurement Department has formulated a series of relevant documents that regulate supplier admission and grade individual suppliers to select, supervise, and incentivize suppliers. In order to enhance the supplier selection process and properly allocate procurement volume every month, the Procurement Control Procedure has been established to further standardize and govern the procurement processes. The Group takes into account suppliers' track record, prevailing market price, and delivery time. At the same time, the purchase of supplies is determined and adjusted by the current inventories, expected customer demands, and projected sales trends.

Besides, the Group performs close monitoring of the suppliers' or subcontractors' business practices through onsite inspections. Any observations of non-compliance during the site visit will be reported immediately to the management. Corrective action plans will be carried out to remediate the identified risks in a timely manner. In addition, the Group has signed Agreements on Credibility, Integrity and Self-discipline with suppliers to establish a relationship of mutual trust.

In Brazil, the Group always work with those well-known companies which have good environmental practices, good corporate governance, and comply with law and regulations. Proposals from suppliers will be evaluated based on their experience, price and time of delivery, among other factors.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To ensure supply chain stability, the group strives to avoid over-reliance on a single supplier by maintaining more than one supplier for each type of good or service provided. The Group is keen on supporting local economies, hence, more than 90% of the Group's approved suppliers are local suppliers. In 2025, the Group had a total of 120 (2024: 133) qualified suppliers and all of which passed the quality assurance and testing process.

Materials for production, such as manufacturing components and equipment are procured for the research, production, and sales of lithium-ion batteries in the Chinese Mainland. The supplier of the SAM Project is the service provider of the Iron ore project. The breakdown of suppliers by Geographical region is as follows:

Geographical region	2025	2024
Chinese Mainland	70	76
Brazil	50	50
France	–	7
<b>Total number of suppliers</b>	<b>120</b>	<b>133</b>

### ESG Considerations in Supply Chain Management

Apart from requiring its suppliers to comply with local regulations, the Group is also aware of the importance of enhancing their environmental and safety performance. We aspire to involve our suppliers in the implementation of our environmental objectives. In order to minimize environmental and social risks along the supply chain, the Group maintains a regularly reviewed list of qualified suppliers, and closely monitors potential environmental, health, and safety issues.

Furthermore, we promote environmentally responsible purchasing through the adoption of sustainable and responsible selection criteria whenever applicable. During the selection process, to promote improvements in environmental performance, suppliers are encouraged to consider and manage their environmental and social issues in their operations for priority consideration. The Group maintains close communication with suppliers, resolves related supply and service issues, and makes corresponding improvement measures. The Group also shares sustainable operating practices and disseminates environmental concepts, including the latest knowledge on quality, safety, good employment and environmental practices.

### PRODUCT RESPONSIBILITY

The Group embraces an enterprise culture of “integrity, practicality, meritocracy, creativity” and its after-sales services adhere to the principle of “quality comes first and commitment to outstanding service”.

During 2025, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group, including but not limited to the Personal Data (Privacy) Ordinance Cap.486, the Law of the People's Republic of China on Protection of Consumer Rights and Interests, the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and the Consumer Protection Code of Brazil.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Product Safety and Quality Control

The Group has formulated a Quality Manual to establish a quality control system to ensure that its lithium-ion battery products comply with relevant regulations and guidelines. The Group also conducts on-site quality inspections and inspections at all stages of manufacturing. The Group's lithium-ion battery products have passed the requirements of various standards, including GB/T31467.3-2015 Lithium-ion Power Battery Packs and Systems for Electric Vehicles — Part 3: Safety Requirements and Test Methods" and Revision Notice No. 1, the 1610 Test Methods for the Relevant Technologies and Indicators of Powered Battery and Fuel Cells (Trial), GB/T31484-2015 Cycle Life Requirements and Test Methods for Powered Battery of Electric Vehicles, GB/T31485-2015 Safety Requirements and Test Methods for Powered Battery of Electric Vehicles, GB/T31486-2015 Electrical Performance Requirements and Test Methods for Power Batteries for Electric Vehicles, AQ 7017-2025 Safety Specifications for Lithium-ion Battery Production and GB38037-2025 Safety Requirements for Power Batteries for Electric Vehicles.

In Brazil, the Group is still at licensing stage, and therefore is no product safety and quality issue yet. However, the Group will implement measures on ensuring safety and quality once production commences.

### Self-owned Intellectual Property Right

The Group regularly monitors the market to ensure that Intellectual property ("IP") rights are not being infringed upon, as IP rights are the core competitiveness of enterprises, especially in the lithium-ion battery industry, which relies on independent research and development ("R&D") and brand building. Its "quality" and "quantity" are directly related to the innovation capacity and product safety of an enterprise. To protect the Group's IP, the Group has formulated the Intellectual Property Management Measures, the Patent Management Measures and Trademark Management Measures.

The Group's Research and Development team consists of both national and overseas experts from top-tier power battery manufacturers. As at 31 December 2025, the Group had 71 valid patents, including utility model patents 44 patents, 3 design patents and 24 invention patents.

### Customer Service

Customer satisfaction is crucial for battery businesses. In order to continuously improve and optimize the after-sales service system and ensure that any battery failures can be resolved in a timely and effective manner, the Group has formulated the After-sales Product Handling Procedures and revised the functions and responsibilities in 2025 due to the restructuring of the organizational structure. The Group adopts a variety of after-sales service models to ensure customer satisfaction, for example, providing customers with a 24-hour technical support hotline. If any defective product is found, the Group will immediately initiate the recall process and re-deliver the products after quality inspection and confirmation. The final completion of the recall process is subject to the receipt of qualified products by customers.

Customer feedback is an important driving force for the Group's continuous development. If customers have any complaints or suggestions during the service process, they can lodge complaints with the Group. All complaints will be carefully investigated and followed up, and the Group will reply to the customer on the investigation results, communicate with the customer and discuss appropriate improvement measures. In addition, the Group also provides special training to relevant staff to enhance their customer relationship management capabilities and professional standards in handling customer opinions, so as to ensure that customer opinions are handled properly, effectively and consistently. During 2025, the Group did not receive any cases of product or service-related complaints, nor was it subjected to any product recalls for safety and health reasons.

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### Privacy Protection

The Group is committed to protecting customer personal data by processing it with the highest level of confidentiality. Therefore, we have also established an Information Security Management System for the collection and use of customer data. The policy covers a number of issues, including the handling and disclosure of confidential information. The Group has appointed designated personnel to regularly review existing policies and ensure that the Group's employees have adequate knowledge and support for data privacy protection. In Zhejiang China, we revised the Personnel Information Security Management System of Zhejiang Jiyao Tongxing Energy Technology Co., Ltd. in 2025. The Group has also put in place security measures for data protection and encryption.

### Advertisements and labels

Due to the Group's business nature, the Group considers its business dealings with advertising and labelling matters to be quantitatively insignificant.

### ANTI-CORRUPTION

The Group is committed to maintaining a high level of corporate ethics and a culture of integrity, and has a zero-tolerance attitude towards bribery and corruption in any form. The Group has made it clear that it will not tolerate any violation of relevant laws and regulations in Hong Kong, Chinese Mainland and Brazil, nor will it tolerate any misconduct that damages the Group's business ethics, integrity foundation and corporate reputation. The Group has established internal policies for different business premises to ensure that every employee complies with relevant laws and regulations. At its headquarters in Hong Kong, the Group has developed a Code of Corporate Discipline. In Brazil, the Group has established a Code of Conduct. For the Chinese Mainland, the Group formulated the Integrity and Self-discipline Code of Conduct and the Punishment Implementation Rules, the Gift and Entertainment Management System and the Conflict of Interest Management System. In Zhejiang China, we revised the Personnel Information Security Management System of Zhejiang Jiyao Tongxing Energy Technology Co., Ltd. in 2025. The Group requires all its employees to understand and be well-aware of the Group's ethical expectations and standards.

During 2025, there were no concluded corruption proceedings against the Group or its employees. The Group is also not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud, and money laundering that would have a significant impact on the Group, including but not limited to the Company Law of the People's Republic of China, the Prevention of Bribery Ordinance Cap. 201 of Hong Kong and Federal Law No. 12,846/2013 (LAC) of Brazil.

To further achieve and maintain the highest degree of transparency, integrity and accountability, the Group has established a whistleblowing system. The Group has formulated the Compliance Consultation, Reporting, Investigation and Reward Management Measures in the Chinese Mainland. In Brazil, employees have similar channels for reporting violations and violations. To allow employees and stakeholders of the Group to report any form of negligence, corruption, bribery or other misconduct to the Group. Reports and complaints received will be handled promptly, fairly and confidentially. The Group will protect whistle-blowers from unfair dismissal, victimization and unwarranted disciplinary action. Any person who is found to have victimized or retaliated against those who have raised concerns under this policy will be subjected to disciplinary sanctions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In order to promote integrity and honesty, the Group encourages and provides opportunities for all employees including management and general employees, to participate in anti-corruption training. During 2025, the Group has provided a series of compliance training. It has also disseminated materials and information regarding anticorruption and anti-money laundering provided by the Hong Kong Independent Commission Against Corruption (ICAC) to its directors and other employees via e-mail.

To further strengthen corporate compliance and business ethics, the Group has held meetings with external organizations to exchange compliance management skills.

During 2025, a total of four directors received anti-corruption training materials from the ICAC, as well as corporate governance training materials from the Stock Exchange, for their continuous development.

### COMMUNITY INVESTMENT

The Group is committed to being a responsible corporate citizen and providing appropriate resources to those in need in the community. The Group believes that the Group and its employees can convey positive values through charitable activities and become socially responsible corporate citizens. The Group encourages and supports employees to participate in volunteer activities in their spare time, and arranges environmental protection and social service activities for the Group's employees. Through participating in these community activities, the Group hopes that employees can cultivate a sense of social responsibility and empathy.

Over the years, the Group has participated in several charitable donation activities. In 2025, SAM donated saplings to school students in support of Environment Day. It also purchased Christmas gifts such as toys and pastries as well as donated food to the community. In addition, SAM sponsored community water storage tanks and donated nursery tools and materials to help the community development.

### Environment

The Group understands the importance of environmental protection in promoting sustainable development. Therefore, the Group has integrated the policy of "protecting the green environment, building green factories and providing green energy" into its business strategy and daily operations. In order to create an environmentally friendly and sustainable business, the Group has developed the Environmental and Occupational Health and Safety Management System Manual, which was accredited with ISO 14001:2015 Environmental Management System.

The Group proactively implemented different environmental protection measures to reduce the environmental impact of its operations. The Group also adopts different control measures for activities that may have an environmental impact.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2025, the Group was not aware of any serious violations of environmental protection laws and regulations in relation to exhaust gas and greenhouse gas emissions, wastewater discharge to water and land, and the generation of hazardous and non-hazardous wastes that had a significant impact on the Group, including but not limited to the Environmental Protection Law of the People’s Republic of China, Cleaner Production Promotion Law of the People’s Republic of China, Atmospheric Pollution Prevention and Control Law of the People’s Republic of China, Law of the People’s Republic of China on Noise Pollution Prevention and Control, Water Pollution Prevention and Control Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, GB30484-2013 Emission Standard of Pollutants for Battery Industry, AQ 7017-2025 Safety Specifications for Lithium-ion Battery Production and GB38037-2025 Safety Requirements for Power Batteries for Electric Vehicles, the Waste Disposal Ordinance Cap. 354 of Hong Kong and Article 225 of the Brazilian Federal Constitution.

### Emissions

The Group’s emissions such as sewage, solid waste, GHG, air pollutants and noise are mainly generated from lithium-ion battery manufacturing plants in the Chinese Mainland. The Group has engaged a qualified third party to conduct audits and inspections to report on emissions from manufacturing plants in the Chinese Mainland during the production process.

Emissions data are closely and rigorously monitored to ensure that the Group’s emissions comply with national and regional standards, laws and regulations.

The Group’s operations include its headquarters in Hong Kong, as well as offices in the Chinese Mainland and Brazil. These premises are mainly for administrative purposes and have no significant impact on the environment. At the Brazilian iron ore project, we applied for sampling permits in strict accordance with regulations, and environmental research companies also conducted animal and plant sampling as well as onsite surveys, aiming to assess the impact of activities on the ecological environment and take sustainable measures to avoid disruption to the ecosystem. Therefore, the environmental risks and pollution in 2025 are not material.

### Air Emissions

The main sources of emissions generated by the Group’s operations are gasoline and diesel consumed by motor vehicles. Due to the termination of the online car-hailing business in the reporting year, car consumption has dropped significantly, and air pollutants have also decreased. In addition, the Group actively takes measures to control air emissions, which are described in the “GHG Emissions” section.

Summary of exhaust emission performance:

Types of air pollutants	unit	2025	2024
Nitrogen oxides (NO <sub>x</sub> )	kg	31.86	430.58
Sulphur oxides (SO <sub>x</sub> )	kg	0.28	5.83
Particulate matter (“PM”)	kg	2.78	31.70

In addition to emissions from vehicle use, the manufacturing process of lithium-ion batteries also involves other types of pollutants. During 2025, as the Group has outsourced battery cell production, no Nonmethane Hydrocarbons (“NMHC”) were emitted.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## GHG Emissions

The Group’s main sources of greenhouse gas emissions are direct emissions from petrol, diesel and fugitive emissions from vehicle consumption (Scope 1) and indirect energy emissions from Scope 2 — purchase of electricity (location-based). In 2021, the Group has set a target to reduce the total GHG emissions intensity (tCO<sub>2</sub>e/million revenue (HK\$)) gradually, using 2021 as the baseline year. Besides, the Group has adopted the following measures to reduce GHG emissions:

### Scope 1: Direct greenhouse gas emissions

The Group has adopted the following measures to mitigate direct GHG emissions from the consumption of gasoline and diesel in the Company’s vehicles:

- Plan routes ahead of time to avoid route repetition and optimize fuel consumption;
- Regularly overhaul the company’s vehicles to ensure optimal engine performance and fuel usage; and
- Turn off the engine when the vehicle is idle.

### Scope 2: Energy indirect greenhouse gas emissions

Electricity consumption accounts for a significant proportion of the Group’s greenhouse gas emissions. The Group has taken measures to reduce energy consumption, which will be described in the section on “Energy Efficiency Plans”.

Summary of GHG<sup>9</sup> emissions performance:

Types of greenhouse gas emissions	unit	2025	2024
Direct GHG emissions (Scope 1) <sup>10</sup>	tCO <sub>2</sub> e	49.98	1,054.26
Energy indirect GHG emissions (Scope 2) <sup>11</sup>	tCO <sub>2</sub> e	866.69	3,861.39
Total GHG emissions (Scope 1 & 2)	tCO <sub>2</sub> e	916.67	4,915.66
GHG emission intensity <sup>12</sup>	tCO <sub>2</sub> e/million revenue (HK\$)	3.87	38.98

Notes:

- 9 The calculation standards and methodologies for GHG emissions are based on “Appendix 2: Reporting Guidance on Environmental KPIs” of “How to Prepare an ESG Report” by HKEX and the Greenhouse Gas Protocol.
- 10 Scope 1 emissions included direct GHG emissions from mobile combustion and fugitive emissions. The Emission Factors adopted are based on “Appendix 2: Reporting Guidance on Environmental KPIs” published by the HKEX and guidance from the U.S. Environmental Protection Agency. The Global Warming Potential (“GWP”) rates from the IPCC Sixth Assessment Report (AR6).
- 11 Scope 2 emissions included indirect GHG emissions from the consumption of purchased electricity. The emission factor of purchased electricity for Hong Kong-based operations referenced the latest emission intensity published by HK Electric Company Limited. The emission factors for the Chinese Mainland-based operations referenced the Ministry of Ecology and Environment of the People’s Republic of China; the emission factors for other operating locations refer to the latest official grid emission factors, national greenhouse gas inventory factors or sustainability reports issued by government agencies, environmental agencies, power regulators or national/state-owned electricity suppliers in the relevant jurisdictions.
- 12 In 2025, the Group recorded revenue of approximately HK\$237.14 million (2024: approximately HK\$126.11 million) This data is used to calculate other intensity data.

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### Wastewater Discharge

The Group’s wastewater discharge is mainly due to its manufacturing process. To minimize the environmental impact, the Group conducts management in strict compliance with the environmental licensing requirements and online monitoring of wastewater pollutants at its sewage station in the Chinese Mainland. The Group has obtained the National Pollutant Discharge Permit in accordance with GB30484-2013 Emission Standard of Pollutants for Battery Industry. To pursue the initiative of water conservation, the Group’s lithium-ion battery manufacturing plants in the Chinese Mainland have recycled their wastewater.

### Waste Management

#### Hazardous waste

During the reporting year, hazardous waste was mainly e-waste, such as printer dryers/ink cartridges and waste batteries. As such, the Group has also formulated guidelines for the management and disposal of hazardous waste and engaged qualified chemical waste collectors to dispose of such wastes to comply with relevant environmental laws and regulations.

Summary of hazardous waste disposal performance:

Waste type	unit	2025	2024
Total amount of hazardous waste	Tonnes	3.96	N/A
Total intensity of hazardous waste	Tonnes/million revenue (HK\$)	0.02	N/A

#### Non-hazardous waste

The Group disposes of waste according to GB18599-2020 Standard for pollution control on non-hazardous industrial solid waste storage and landfill.

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The non-hazardous waste generated by the Group is mainly domestic refuse and office paper generated in the Chinese Mainland. The Group continues to make great effort into educating its employees on the importance of reducing waste production in the offices. In 2021, the Group has set a target to organize at least one waste reduction campaign annually from 2022 onwards. In order to minimize the environmental impacts and achieve the set target, the Group has adopted environmentally friendly initiatives to enhance its environmental performance. Green measures include but are not limited to the following:

- Print electronic communications only when necessary;
- Recycle used office paper;
- Use duplex printing or photocopying;
- Recycle office and electronic equipment to reduce waste going to the landfills; and
- Procure paper with FSC recycling labels to encourage the use of recycled materials.

To achieve sustainable waste reduction, we hold environmental training courses every year as usual and display slogans promoting paper conservation. We are committed to organizing at least one waste reduction event per year and will continue to implement waste reduction initiatives in the future.

Summary of non-hazardous waste disposal performance:

Waste type	unit	2025	2024
Domestic refuse	Tonnes	511.00	730.00
Office paper	Tonnes	126.00	125.50
Total amount of non-hazardous waste	Tonnes	637.00	855.50
Non-hazardous waste intensity	Tonnes/million revenue (HK\$)	2.69	6.78

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### USE OF RESOURCES

The Group actively promotes the effective use of resources, and monitors the potential impact that its business operations have on the environment, and has implemented relevant policies to support its efforts. The Group encourages employees to make suggestions and participate in various energy saving and water conservation programmes to facilitate the efficient use of resources.

#### Energy Use Efficiency Scheme

The Group plays an active role in energy conservation and regards it as an unshirkable responsibility. The Group's planning, design and R&D of chemical systems, electronic systems, future technologies and manufacturing processes reflect the Group's commitment to energy conservation. The Group has successfully improved the energy efficiency of its circulating cooling water system by pouring cleaning agents to clean and remove chiller sediments. In addition, the Group set a target in 2021 to study the feasibility of installing solar panels in the coming years.

The Group has also taken the following measures:

- Regularly repair equipment and promote technological innovation to achieve optimal condition and reduce energy consumption;
- Turn off unnecessary idle lighting equipment and electrical appliances;
- Purchase energy-saving equipment to replace end-of-life equipment;
- Set all computer screens and printers to enter standby mode after a period of time;
- Build a team of energy-saving and environmental protection experts to improve energy utilization; and
- Improve product quality and performance, minimize the energy consumption ratio of products, and maximize resource utilization.

During the reporting period, the Group's total energy consumption intensity decreased, primarily driven by a reduction in electricity consumption. This was attributed to the pilot production line, which had accounted for significant electricity usage in 2024, not being put into operation in 2025, as well as the completion of the factory energy consumption renovation in the second half of 2024, both of which contributed to an overall reduction in energy consumption. Furthermore, no natural gas was consumed during the reporting period, mainly because the pilot production line had been suspended and the boilers were consequently no longer in use, as well as the canteen not being in operation in 2025. In addition, as the ride-hailing business had been terminated, petrol consumption decreased significantly, resulting in a corresponding reduction in its associated energy consumption.

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Summary of energy consumption performance:

Type of energy consumption	unit	2025	2024
Direct energy consumption: <sup>13</sup>	MWh	2,457.55	6,163.69
Petrol	MWh	124.32	3,788.98
Diesel	MWh	43.49	58.00
Natural gas	MWh	–	2,316.71
Indirect Energy Consumption:	MWh	1,522.36	7,179.86
Purchased electricity	MWh	1,522.36	7,179.86
Total energy consumption	MWh	1,690.17	13,343.55
Energy consumption intensity	MWh/million revenue (HK\$)	7.13	105.81

Note:

- 13 The Group's direct energy consumption includes diesel and petrol. The conversion factor used for diesel and gasoline is a coefficient converted into megawatt-hours (MWh) based on fuel data published by the Carbon Disclosure Program.

### Water Efficiency

The Group actively promotes the importance of water conservation to its employees. In 2021, the Group has set a target to organize at least one activity annually to raise employees' awareness of water-saving measures. To further enhance water conservation, apart from posting banners around the office, the Group also regularly inspects water taps to prevent leakage. As a result of these implementations, the employees' awareness of water conservation enhanced.

Water consumption data only includes operations in the Chinese Mainland and Brazil. Water consumption data for other facilities were not available since water usage was covered in the rent. Summary of water expression:

	unit	2025	2024
Total water consumption	m <sup>3</sup>	32,437.00	34,593.00
Water consumption intensity	m <sup>3</sup> /million revenue (HK\$)	136.78	274.30

In 2025, the Group did not experience any problems in obtaining water due to its business nature.

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### Use of Packaging Materials

The packaging materials used by the Group primarily consist of wooden crates and cardboard boxes. The Group is mindful of the potential adverse environmental impact of the packaging materials consumed, and therefore strives to maximize the utilization of materials consumed and minimize the potential impact arising from their consumption. The consumption of packaging materials in 2025 decreased significantly compared to 2024, as certain products were not sold during the year, resulting in no usage of wooden packaging materials.

Summary of packaging material usage performance:

Packaging material type	Unit	2025	2024
Wood	Tonnes	0	49.26
Carton	Tonnes	10.00	14.58
The total amount of packaging materials used	Tonnes	10.00	63.84
Packaging material use intensity	Tonnes/million revenue (HK\$)	0.04	0.51

### ENVIRONMENTAL PROTECTION AND NATURAL RESOURCES CONSERVATION

The Group’s lithium-ion battery manufacturing plant is located within the planned area of Wucheng District in Jinhua New Energy Automobile Industrial Park, which is far from nature reserve area. A feasibility analysis and environmental impact assessment were conducted for the site. By adhering to the principle of “focusing on proactive prevention and combining it with controlling and correcting measures to form a comprehensive solution”, the Group strives to reduce the impact on the environment to a minimal level and ensure that it will not affect the important local water sources in any way. The Group has also implemented relevant policies to minimize its environmental impact.

#### Guidelines for conducting environmental investigations or studies in Brazil

SAM is committed to minimize the impact on the environment and the surrounding residents or animals by adopting different measures. Before conducting any inspections or research in the iron ore area, SAM and its assigned professional firms or advisors are required to participate in extensive training sessions. The requirements and standard operating procedures of SAM are explained to staff from various departments during the training sessions.

Includes:

- Activities may only be conducted within restricted areas to avoid, minimize, or mitigate potential impacts;
- Any interference in unauthorized areas (openings in access or drilling areas) is prohibited;
- Burying plants in the area is prohibited;
- Destroying plants in the area is prohibited;
- Disposing any remaining chemical materials, cleaning waste and/or other waste in an unauthorised areas is prohibited;

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- Blockage of the drainage system and/or permanent storage area due to environmental inspection or research;
- Dispose of and store waste at an appropriate location, such as recycling bins;
- Waste combustion is prohibited;
- Drive carefully and avoid internal or third-party vehicles running over wild animals; and
- Wild animal hunting and catching are prohibited.

Furthermore, prior to conducting any field visits or studies in the iron ore areas, a series of preparatory activities are carried out, such as mapping, defining the scope of activities, and outlining the duties and responsibilities of each worker, so as to improve efficiency and minimise the time spent on outdoor work. In addition, situation briefings are conducted with the on-site team and consultants before proceeding to the iron ore areas.

When there are any negative environmental issues that would have a material environmental impact, a violation of relevant legal requirements, or an occurrence where no rectification measure is adopted for a related environmental incident, the environmental supervisors shall immediately give an environmental warning to the coordinator of the environmental management project of SAM and advise the manager of SAM to evaluate and decide whether further measures shall be taken.

In 2025, there were no significant adverse environmental events during environmental investigations or studies. Environmental research companies conduct animal sampling and plant surveys on site, aiming to assess the impact of activities on the ecological environment. We apply for sampling permits in strict accordance with regulations and take sustainability measures to avoid disturbance to the ecosystem.

### Noise Emissions

The Group responds proactively to the noise generated by the manufacturing plant in the Chinese Mainland. By conducting regular noise inspections in four specific locations and adopting sound insulation and vibration reduction measures, the Group was able to meet the Environmental Quality Standard for Noise (GB3096-2008).

### MITIGATION AND ADAPTATION TO CLIMATE CHANGE

The Group attaches great importance to the potential impact of climate change on its business operations and is committed to proactively identifying, assessing and managing related risks. In order to effectively address different types of climate-related risks, the Group has integrated climate change into its enterprise risk management framework and internal controls, and formulated relevant policies and management measures to ensure that climate issues can be systematically integrated into daily operations and decision-making processes.

The Board assumes ultimate oversight responsibility for climate-related risks and holds regular meetings to work closely with the ESG Working Group to continuously assess ESG-related risks, including climate risks, review risk trends and their potential impact on the Group's business, and formulate corresponding response strategies.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

After a comprehensive assessment, the Group identified the following climate-related risks and opportunities that have a material impact on its business:

Climate risks and opportunities	Risk and opportunity description	Response approach
<p><b>Physical risk: Acute risk</b></p>	<p>Extreme weather events (e.g. extreme cold or heat, storms, heavy rain and typhoons) can disrupt power grids and communication infrastructure, hinder and injure employees on or off work, and disrupt operations. These events may also disrupt supply chains, disrupt business operations and damage the Group’s assets. During the Reporting Period, some of the Group’s business operations were located in areas with a high risk of mega typhoons.</p>	<p>The Group has put in place preventive and contingency measures, and the Group will explore feasible ways to mitigate or avoid the severe impact on business operations through changes in business models. During the Reporting Period, climate-related events did not have a significant impact due to the Group’s comprehensive precautionary measures.</p>
<p><b>Physical risk: chronic risk</b></p>	<p>Global warming may affect battery research and production, and even increase related costs. At high temperatures, equipment used for research and production is more likely to be damaged, and more water and coolant are required due to the need for more energy to cool equipment during operation, which increases costs and environmental impact.</p>	<p>In order to cope with the relevant market risks, the Group will improve and upgrade the machines used in the production process and enhance their heat resistance. On the other hand, the cooling process uses water circulation instead of chemical coolants, reducing long-term costs and minimizing environmental impact by controlling chemical use and water absorption.</p>

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Climate risks and opportunities	Risk and opportunity description	Response approach
<p><b>Transition risks: policy and legal risks and reputational risks</b></p>	<p>There are increasingly stringent climate laws and regulations to support the global vision of decarbonization. For example, the Stock Exchange has required listed companies to enhance climate-related disclosures in their ESG reports. At the same time, Chinese Mainland has also launched a new document to guide the country to achieve the two major goals of carbon peak and carbon neutrality by 2030 and 2060 respectively. Increasingly stringent environmental laws and regulations can expose businesses to higher risks of claims and lawsuits. A company’s reputation may also suffer from a failure to meet climate change compliance requirements. As a result, the Group’s related capital investment and compliance costs have also increased.</p>	<p>To address policy and legal risks and reputational risks, the Group regularly monitors existing and emerging climate-related trends, policies and regulations and is prepared to alert senior management when necessary to avoid increased costs, fines for non-compliance or reputational risks due to slow response.</p>
<p><b>Transition risk: Market risk</b></p>	<p>Investors are advocating for addressing climate change, and there is a greater likelihood that companies will withdraw if they fail to implement effective measures to manage climate risks. If the Group’s climate risk management fails to win the trust of investors, the Group’s capital supply may be reduced.</p>	<p>To build investor trust and confidence, the Group is committed to enhancing and maintaining a high level of transparency in ESG risk management activities.</p>
<p><b>Opportunities</b></p>	<p>Climate change has raised public concerns about environmental conservation, and the resulting changing customer preferences have led to the development of green energy.</p>	<p>To seize this opportunity, the Group will continue to enhance its management skills, promote the efficient use of materials, and control the cost of lithium-ion battery products to improve profits.</p>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Index of Appendix C2 to the Exchange’s Listing Requirements “ESG Reporting Code”

Main Areas	Contents	Corresponding report section
<b>Mandatory Disclosure Requirements</b>		
<b>Governance Structure</b>	A statement from the board containing the following elements: (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	Introduction, Board Statement
<b>Reporting Principles</b>	Describe or explain how the reporting principles (materiality, quantitative and consistency) are applied in the preparation of ESG reports.	Reporting Framework
<b>Reporting Boundary</b>	Explain the scope of the ESG report and describe the process of selecting which entities or businesses to include in the ESG report.	Scope of Reporting

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main Areas	Contents	Corresponding report section
<b>A. Environment</b>		
<b>A1 Emissions</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	Environment
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Emissions — Air Emissions
<b>KPI A1.2</b>	Repealed 1 January 2025	Emissions — GHG Emissions
<b>KPI A1.3</b>	Total amount of hazardous waste generated (in tonnes) and, if appropriate, intensity.	Emissions — Waste Management
<b>KPI A1.4</b>	The total amount of non-hazardous waste generated (in tonnes) and, if appropriate, the density.	Emissions — Waste Management
<b>KPI A1.5</b>	Description of emission target(s) set and steps taken to achieve them.	Emissions — GHG emissions
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management
<b>A2 Resource usage</b>		
<b>General Disclosure</b>	Policies for the efficient use of resources, including energy, water and other raw materials.	Use of Resources
<b>KPI A2.1</b>	Total direct and or indirect energy consumption (in thousand kWh) and intensity.	Resource Use — Energy Use Efficiency Plan
<b>KPI A2.2</b>	Total water consumption and intensity.	Use of Resources — Water Efficiency
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Effective Energy Consumption Plan
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources — Water Efficiency
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources — Use of Packaging Materials

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main Areas	Contents	Corresponding report section
<b>A3 Environment and natural resources</b>		
<b>General Disclosure</b>	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Protection and Natural Resources Conservation
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection and Natural Resources Conservation
<b>A4 Climate change</b>		
<b>General Disclosure</b>	Repealed 1 January 2025	
<b>KPI A4.1</b>	Repealed 1 January 2025	
<b>B. Society</b>		
<b>B1 Hire</b>		
<b>General Disclosure</b>	In relation to pay and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits and benefits: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Employment Practices
<b>KPI B1.1</b>	Total number of employees by gender, type of employment, age group and geographical region.	Employment Practices — Labour Structure
<b>KPI B1.2</b>	Employee turnover rates by gender, age group and geographical region.	Employment Practices — Labour Structure

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main Areas	Contents	Corresponding report section
<b>B2 Health &amp; Safety</b>		
<b>General Disclosure</b>	Regarding the provision of a safe working environment and the protection of employees from occupational hazards: <ul style="list-style-type: none"> <li>(a) Policies; and</li> <li>(b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.</li> </ul>	Employee Health and Safety
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employee Health and Safety
<b>KPI B2.2</b>	Lost days due to work injury.	Employee Health and Safety
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Health and Safety
<b>B3 Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category.	Employee Training and Development
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Employee Training and Development
<b>B4 Labor Guidelines</b>		
<b>General Disclosure</b>	Regarding the prevention of child labor or forced labor: <ul style="list-style-type: none"> <li>(a) Policies; and</li> <li>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer.</li> </ul>	Labour Standards — Prevention of Child and Forced Labour
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards — Prevention of Child and Forced Labour
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Labour Standards — Prevention of Child and Forced Labour

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main Areas	Contents	Corresponding report section
<b>B5 Supply Chain Management</b>		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Supply Chain Management
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management — ESG Considerations in Supply Chain Management
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — ESG Considerations in Supply Chain Management
<b>B6 Product Liability</b>		
<b>General Disclosure</b>	Health and safety, advertising, labelling and privacy matters and remedies for the products and services provided: (a) Policies; and (b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Product Responsibility
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility — Customer Service
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Product Responsibility — Customer Service
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Self-owned IP Right
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Product Responsibility — Product Safety and Quality Control
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Privacy Protection

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Main Areas	Contents	Corresponding report section
<b>B7 Anti-corruption</b>		
<b>General Disclosure</b>	Prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>B8 Community Investments</b>		
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
<b>KPI B8.1</b>	Focus areas of contribution.	Community Investment
<b>KPI B8.2</b>	Resources contributed to the focus area.	Community Investment
<b>Part D: Climate-related Disclosures</b>		
<b>Metrics and Targets — Greenhouse gas emissions 28(a)-(b) and 29</b>	Scope 1 greenhouse gas emissions and Scope 2 greenhouse gas emissions.	Emissions — GHG emissions

## INDEPENDENT AUDITOR'S REPORT



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香港  
干諾道中111號  
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### TO THE SHAREHOLDERS OF HONBRIDGE HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

#### OPINION

We have audited the consolidated financial statements of Honbridge Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 92 to 170, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTERS

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

## INDEPENDENT AUDITOR'S REPORT

### KEY AUDIT MATTERS — CONTINUED

#### Impairment of exploration and evaluation assets

*(Refer to notes 3.9, 4(a)(i) and 16 to the consolidated financial statements)*

As at 31 December 2025, before current year's impairment assessment, the Group had exploration and evaluation assets with carrying amount of HK\$6,088,165,000 operated by Sul Americana de Metais S.A. ("SAM"), a subsidiary of the Company, and were stated at cost less accumulated impairment loss.

The carrying value of exploration and evaluation assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The directors consider all facts and circumstances occurred to judge whether these facts and circumstances would suggest that the carrying amount of the exploration and evaluation assets may exceed its recoverable amount (i.e. impaired). Following a review of the business, the outlook of the industry in Brazil and SAM's operating plans, the estimated recoverable values (estimated by the independent external valuer as the management's expert) are higher than their carrying amount.

We focused on these area because these conclusions are dependent upon significant management judgement and are significant to the consolidated financial statements. Significant assumptions and parameters were set out in note 16 to the consolidated financial statements.

#### Our response

Our key procedures in relation to management's impairment assessment included:

- Assessing the appropriateness of valuation methodologies;
- Assessing the reasonableness of underlying key assumptions;
- Involving auditor's expert to assist our assessment on the valuation assessed by management's expert; and
- Evaluating the competence, capabilities and objectivity of the auditor's expert and management's expert.

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT

### **DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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

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

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITOR'S REPORT

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

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### **BDO Limited**

*Certified Public Accountants*

#### **Cheung Or Ping**

Practising Certificate Number P05412

Hong Kong, 26 March 2026

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

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (Re-presented)
<b>Continuing operations</b>			
Revenue	5	231,043	77,544
Cost of sales		(221,523)	(60,557)
Gross profit		9,520	16,987
Other operating income, gains and losses	7	(5,761)	19,861
Selling and distribution costs		(4,637)	(4,962)
Administrative expenses		(48,629)	(46,558)
Other expenses	9,26(a)	–	(10,727)
Impairment loss on exploration and evaluation assets	16	–	(534,169)
Impairment loss on financial assets, net	9	(3,334)	(23,899)
(Loss)/gain on changes in fair value of contingent consideration payables	41	(1,510)	1,576
Share of results of associates	18	45	159
Finance costs	8	(6,571)	(7,472)
<b>Loss before income tax from continuing operations</b>	9	<b>(60,877)</b>	(589,204)
Income tax credit	10	–	181,617
<b>Loss for the year from continuing operations</b>		<b>(60,877)</b>	(407,587)
<b>Discontinued operation</b>			
Loss for the year from discontinued operation	12	(3,045)	(33,758)
<b>Loss for the year</b>		<b>(63,922)</b>	(441,345)
<b>Loss for the year attributable to:</b>			
Owners of the Company			
— Continuing operations		(46,625)	(400,874)
— Discontinued operation		(113)	(12,005)
		<b>(46,738)</b>	(412,879)
Non-controlling interests			
— Continuing operations		(14,252)	(6,713)
— Discontinued operation		(2,932)	(21,753)
		<b>(17,184)</b>	(28,466)
		<b>(63,922)</b>	(441,345)

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

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (Re-presented)
<b>Loss for the year</b>		<b>(63,922)</b>	(441,345)
<b>Other comprehensive income/(loss)</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income		(248)	(290)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		459,061	(1,039,653)
Share of other comprehensive income of associates		(322)	239
Release of translation reserve upon disposal of associate		1,949	–
Release of translation reserve upon disposal of subsidiaries		(1,504)	–
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>458,936</b>	(1,039,704)
<b>Total comprehensive income/(loss) for the year</b>		<b>395,014</b>	(1,481,049)
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Owners of the Company		411,809	(1,449,914)
Non-controlling interests		(16,795)	(31,135)
		<b>395,014</b>	(1,481,049)
			(restated)
<b>Loss per share from continuing and discontinued operations</b>	11		
— Basic		(0.33) cent	(3.07) cents
— Diluted		(0.33) cent	(3.07) cents
<b>Loss per share from continuing operations</b>	11		
— Basic		(0.33) cent	(2.98) cents
— Diluted		(0.33) cent	(2.98) cents
<b>Loss per share from discontinued operation</b>	11		
— Basic		(0.00) cent	(0.09) cent
— Diluted		(0.00) cent	(0.09) cent

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	29,750	56,820
Exploration and evaluation assets	16	6,088,165	5,367,781
Right-of-use assets	17	33,873	34,595
Interest in an associate	18	–	5,810
Financial assets at fair value through other comprehensive income	19	1	249
		<b>6,151,789</b>	5,465,255
<b>Current assets</b>			
Inventories	20	29,855	10,335
Trade and bill receivables	21	148,643	36,593
Prepayments, deposits and other receivables	22	8,253	21,910
Financial assets at fair value through profit or loss	23	30,038	49,373
Tax recoverable		–	412
Restricted bank deposits	24	13,482	16,386
Time deposits with maturity over three months	24	5,598	21,373
Cash and cash equivalents	24	386,730	65,784
		<b>622,599</b>	222,166
<b>Current liabilities</b>			
Trade and bill payables	25	182,323	38,500
Provision, other payables, accruals and deposits received	26	90,140	91,505
Contract liabilities	27	10,837	2,103
Borrowings	28	20,202	19,459
Lease liabilities	29	4,447	3,063
		<b>307,949</b>	154,630
<b>Net current assets</b>		<b>314,650</b>	67,536
<b>Total assets less current liabilities</b>		<b>6,466,439</b>	5,532,791
<b>Non-current liabilities</b>			
Provision, other payables, accruals and deposits received	26	44,400	85,137
Borrowings	28	69,486	85,988
Lease liabilities	29	–	11,591
Deferred tax liabilities	31	1,944,846	1,706,319
Other financial liabilities	32	–	12,337
Contingent consideration payables	41	118,981	117,471
		<b>2,177,713</b>	2,018,843
<b>Net assets</b>		<b>4,288,726</b>	3,513,948

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	33	14,555	9,855
Reserves	39	4,333,747	3,549,434
		<b>4,348,302</b>	3,559,289
<b>Non-controlling interests</b>		<b>(59,576)</b>	(45,341)
<b>Total equity</b>		<b>4,288,726</b>	3,513,948

On behalf of directors

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**Xu Zhihao**  
Chairman

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**Chen Shengjie**  
Director

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (Re-presented)
<b>Cash flows from operating activities</b>			
Loss before income tax			
— Continuing operations		<b>(60,877)</b>	(589,204)
— Discontinued operation	12	<b>(4,549)</b>	(33,758)
		<b>(65,426)</b>	(622,962)
Adjustments for:			
Depreciation of property, plant and equipment	15	<b>6,408</b>	12,735
Amortisation of right-of-use assets	17	<b>2,013</b>	2,440
Impairment of exploration and evaluation assets	16	—	534,169
Impairment loss recognised on trade receivables	21	<b>3,334</b>	455
Impairment loss recognised on amount due from an associate	22	—	23,851
Impairment loss on property, plant and equipment	15	—	16,298
Impairment loss on right-of-use assets	17	—	2,921
Interest expense on borrowings	8	<b>3,885</b>	5,284
Interest on lease liabilities	8	<b>447</b>	895
Interest on provision	8,26a	<b>2,409</b>	2,029
Imputed interest on other financial liabilities	8	<b>381</b>	1,857
Share of results of associates	18	<b>(45)</b>	(159)
Loss on lease modification	7	—	1,845
Loss/(gain) on changes in fair value of contingent consideration payables	41	<b>1,510</b>	(1,576)
Bank interest income	7	<b>(4,017)</b>	(2,764)
Gain on disposal of associate	7	<b>(725)</b>	—
Gain on disposal of property, plant and equipment	9	<b>(189)</b>	(34)
Write off of property, plant and equipment	9	<b>1</b>	505
Write-down of inventories	20	<b>2,948</b>	—
Government grant	30	—	(3,091)
Other expenses	9,26a	—	10,727
Net loss/(gain) on financial assets at fair value through profit or loss	7	<b>19,335</b>	(5,245)
Operating loss before working capital changes		<b>(27,731)</b>	(19,820)
(Increase)/decrease in inventories		<b>(21,508)</b>	11,087
Increase in trade and bill receivables		<b>(157,881)</b>	(87)
Decrease in prepayments, deposits and other receivables		<b>3,465</b>	3,392
Increase/(decrease) in trade and bill payables		<b>174,703</b>	(31,384)
Decrease in other payables, accrued expenses and deposits received		<b>(22,757)</b>	(45,250)
Increase in contract liabilities		<b>8,410</b>	1,829
Cash used in operations activities		<b>(43,299)</b>	(80,233)
Income tax paid		—	—
<i>Net cash used in operating activities</i>		<b>(43,299)</b>	(80,233)

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (Re-presented)
<b>Cash flows from investing activities</b>			
Interest received		4,017	2,764
Placement of time deposits with maturity over three months		–	(21,804)
Release of time deposits with maturity over three months		16,219	–
Purchases of property, plant and equipment	15	(2,879)	(4,857)
Purchases of exploration and evaluation assets	16	(9,987)	(2,417)
Proceeds from disposals of property, plant and equipment		199	178
Net cash generated from acquisition of subsidiaries	37(b)	218	–
Proceeds from disposal of associate	18	10,312	–
Disposal of subsidiaries, net of cash disposal of	35	(4,365)	–
Release of restricted bank deposits		2,904	14,679
<i>Net cash generated from/(used in) investing activities</i>		<b>16,638</b>	(11,457)
<b>Cash flows from financing activities</b>			
Interest paid on borrowings	46	(3,885)	(5,284)
Repayments of borrowings	46	(19,746)	(19,749)
Drawdown of borrowings and bank overdraft	46	–	95
Proceed from the disposal of treasury shares		–	21,018
Advance from shareholders	46	–	2,534
Proceeds from share subscription, net of transaction cost		375,325	–
Interest paid on lease liabilities	46	(447)	(895)
Repayment of principal portion of lease liabilities	46	(2,204)	(3,323)
<i>Net cash generated from/(used in) financing activities</i>		<b>349,043</b>	(5,604)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>322,382</b>	(97,294)
<b>Cash and cash equivalents at 1 January</b>		<b>65,784</b>	166,953
<b>Effect of foreign exchange rate changes</b>		<b>(1,436)</b>	(3,875)
<b>Cash and cash equivalents at 31 December</b>		<b>386,730</b>	65,784
<b>Analysis of cash and cash equivalents</b>			
Cash at banks and in hand		<b>386,730</b>	65,784

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium* HK\$'000	Treasury shares reserve* HK\$'000	Translation reserve* HK\$'000	Fair value through other comprehensive income reserve* HK\$'000	Other reserve* HK\$'000	Retained earnings* HK\$'000	Total HK\$'000		
<b>At 1 January 2024</b>	9,855	3,563,686	(141,644)	(5,629,154)	(103,328)	(7,647)	7,296,417	4,988,185	(14,206)	4,973,979
Disposal of treasury shares (Note 39)	-	-	79,566	-	-	-	(58,548)	21,018	-	21,018
<b>Transactions with owners</b>	-	-	79,566	-	-	-	(58,548)	21,018	-	21,018
Loss for the year	-	-	-	-	-	-	(412,879)	(412,879)	(28,466)	(441,345)
<b>Other comprehensive income/(loss)</b>										
Changes of fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(290)	-	-	(290)	-	(290)
Share of other comprehensive income of an associate	-	-	-	239	-	-	-	239	-	239
Currency translation	-	-	-	(1,036,984)	-	-	-	(1,036,984)	(2,669)	(1,039,653)
<b>Total comprehensive loss</b>	-	-	-	(1,036,745)	(290)	-	(412,879)	(1,449,914)	(31,135)	(1,481,049)
<b>At 31 December 2024</b>	9,855	3,563,686	(62,078)	(6,665,899)	(103,618)	(7,647)	6,824,990	3,559,289	(45,341)	3,513,948
<b>At 1 January 2025</b>	9,855	3,563,686	(62,078)	(6,665,899)	(103,618)	(7,647)	6,824,990	3,559,289	(45,341)	3,513,948
Subscription of shares	4,700	371,300	-	-	-	-	-	376,000	-	376,000
Transaction cost on subscription of shares	-	(675)	-	-	-	-	-	(675)	-	(675)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	2,560	2,560
Deemed contribution arising from disposal of subsidiaries (note 35)	-	-	-	-	-	-	1,879	1,879	-	1,879
<b>Transactions with owners</b>	4,700	370,625	-	-	-	-	1,879	377,204	2,560	379,764
Loss for the year	-	-	-	-	-	-	(46,738)	(46,738)	(17,184)	(63,922)
<b>Other comprehensive income/(loss)</b>										
Changes of fair value of financial assets at fair value through other comprehensive income	-	-	-	-	(248)	-	-	(248)	-	(248)
Release of translation reserve upon disposal of associate	-	-	-	1,949	-	-	-	1,949	-	1,949
Release of translation reserve upon disposal of subsidiaries	-	-	-	(1,504)	-	-	-	(1,504)	-	(1,504)
Share of other comprehensive income of an associate	-	-	-	(322)	-	-	-	(322)	-	(322)
Currency translation	-	-	-	458,672	-	-	-	458,672	389	459,061
<b>Total comprehensive income</b>	-	-	-	458,795	(248)	-	(46,738)	411,809	(16,795)	395,014
<b>At 31 December 2025</b>	14,555	3,934,311	(62,078)	(6,207,104)	(103,866)	(7,647)	6,780,131	4,348,302	(59,576)	4,288,726

\* The aggregate amount of these balances of approximately HK\$4,333,747,000 (2024: HK\$3,549,434,000) is included as reserves in the consolidated statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

Honbridge Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2001 Revision) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 31119, Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman KY1–1205 Cayman Islands and the Company’s principal place of business in Hong Kong is Suite 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries are set out in note 37. The Company and its subsidiaries are collectively referred to as the “Group” hereinafter.

## 2. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS

### 2.1 Adoption of revised HKFRS Accounting Standards

In the current year, the Group has applied for the first time the following revised HKFRS Accounting Standards as issued by HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2025.

Amendments to HKAS21	Lack of Exchangeability
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The adoption of this amendments to HKFRS Accounting Standards has no material impact on the Group’s accounting policies.

### 2.2 New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

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

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> The effective date of these amendments were deferred indefinitely. Early adoption continues to be permitted.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS — CONTINUED

#### 2.2 New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective — Continued

The Group is in the process of making an assessment of the potential impact of these new and amendments to HKFRS Accounting Standards. Except for the possible impact that the adoption of the below new and amendments to HKFRS Accounting Standards will have in the period of initial application, the Board so far concluded that the application of these new and amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements.

#### **Amendments to HKFRS 9 and HKFRS 7 “Classification and Measurement of Financial Instruments”**

Amendments to HKFRS 9 and HKFRS 7 will be first applied for the annual reporting periods beginning on 1 January 2026 and to be applied retrospectively. The amendments clarify guidance on timing of derecognition of financial liabilities, on the assessment of cash flow characteristics and resulting classification and disclosure of financial assets with terms referencing contingent events including environmental, social and corporate governance events, and of the treatment of non-recourse assets and contractually linked instruments. The Group have assessed the impact of these amendments on the Group's consolidated financial statements and considered these amendments have no material impact on the consolidated financial statements.

#### **HKFRS 18 “Presentation and Disclosure in the Financial Statements”**

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements” and will be first applied for the annual reporting periods beginning on 1 January 2027. The new standard introduced the following new requirements.

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Entities are required to disclose within a note to consolidated financial statements of management-defined performance measures (“MPMs”) with a reconciliation between MPMs and HKFRS performance measures.
- Enhanced guidance is provided on how to group the information in the financial statements or in the notes.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 2. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS — CONTINUED

### 2.2 New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective — Continued

#### HKFRS 18 “Presentation and Disclosure in the Financial Statements” — Continued

The Group has assessed the impact of the new standard, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group has also assessed the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as “others”. These amendments have no effect on the measurement of any items in the consolidated financial statements of the Group but affect the presentation and disclosure to the consolidated financial statements.

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 Basis of preparation

#### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS Accounting Standards”) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements also include the applicable disclosure required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

#### (b) Basis of measurement

The consolidated financial statements have been prepared under historical cost basis except for certain financial instruments which are measured at fair values as explained in the accounting policies set out below.

#### (c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) which is also the functional currency of the Company. All values are rounded to the nearest thousand (“HK\$’000”), except when otherwise indicated.

#### (d) Re-presentation due to discontinued operation

The presentation of comparative information in respect of the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 has been re-presented as if the operations discontinued during the current year had been discontinued at the beginning of the prior period.

The re-presentation do not affect the consolidated statement of financial position as at 31 December 2024.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

### 3.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

### 3.4 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.5 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

When a foreign operation is disposed of, such exchange differences are reclassified from equity to profit or loss as part of the disposal gain or loss.

#### 3.6 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.6 Revenue recognition — Continued

##### **Principal versus agent**

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

##### **Sales of lithium batteries**

Sale of lithium batteries is recognised at a point in time when the goods are transferred and the customer has received the goods, since only by the time the Group has a present right to payment for the goods delivered.

##### **Sales of bauxite**

Sale of bauxite is recognised at a point in time when the goods are transferred and the customer has received the goods, since only by the time the Group has a present right to payment for the goods delivered.

##### **Provision of battery testing services**

The Group provides supporting services such as sites, equipment, power supply, and other supporting services to the customers in the installation assistance of battery pilot line and battery testing.

Revenue is recognised over time as battery testing services are provided.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.6 Revenue recognition — Continued

##### Platform services

The Group provides online-hailing platform services to drivers (the “Drivers”) to find passengers who are looking for a ride (the “Riders”) and the Group considers the Drivers as customers of the platform services (“Platform Services”). Drivers accept the terms and conditions with the Group to receive the Platform Services through the use of the CaoCao Mobility App. The terms and conditions defines the fees the Group charges the Drivers for each transaction, each party’s rights and obligations regarding the Platform Services. As the Group’s customary business practice, a contract exists between the Drivers and the Group when the Drivers confirms an online-hailing request from Riders and their ability to cancel the transaction lapses. The duration of a contract with a customer is typically equal to the duration of a single ride. The Group provides Platform Services to the Drivers to assist them to complete riding service to the Riders and the Group earns fees from the Drivers at a fixed percentage of the fare charged to the Riders.

Revenue is recognised at the time the performance obligation is satisfied by transferring the control of the promised service to a customer in an amount that reflects the consideration that the Group expects to receive in exchange for the service. The Group recognises revenue upon completion of a trip as its performance obligation is satisfied upon the completion of the trip. The Group does not have contract assets or contract liabilities in relation to the Platform Services as the payment of the transaction price is concurrent with the fulfillment of the services. At the time of trip completion, the Group has the right to receive payment for the services rendered. Accordingly, there are no partially satisfied or unsatisfied performance obligations as of 31 December 2024 and for the period from 1 January 2025 to the date of disposal (i.e. 3 April 2025). The Group recognises the Platform Services at a point in time.

The Group has determined that it acts as an agent in the Platform Services as the Group are not responsible for fulfilling the promise to provide the riding services provided by drivers, nor do we have the ability to control the related services. Upon the completion of riding order, the Group recognised the service income charged to the Drivers in the form of commission, who is regarded as the customer of online-hailing services. The amount to be remitted to the Drivers from the cash payments made by Riders net of the service income charged to the Drivers, are recorded as payables to the Drivers.

##### Riding service income

The Group provides riding services through the employee of the Group for customers who place riding orders via multiple channels including the CaoCao Mobility App owned and developed by the Group and other means, such as other platform applications developed by other services providers and direct email quotations. The Group has determined that it acts as a principal in these services as the Group is primarily responsible for the riding service which meet the riding service specification promised to customers. The Group identifies and directs the riding service providers to complete the orders. Also, the Group has full discretion in establishing the fares for the services to customers. Revenues resulting from riding services are recognised over the period when the service is rendered on a gross basis.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.6 Revenue recognition — Continued

##### Motor vehicles rental income

Rental income derived from operating lease contracts is specified as motor vehicles rental revenue. Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term.

##### Advertising and related services

The Group derived the advertising income from the customers in exchange for advertising placement on the Group's vehicles. Advertising income is recognised on a pro-rata basis over the contractual service period.

##### Contract liabilities

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

#### 3.7 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at acquisition cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Freehold land is not subject to depreciation. Depreciation on other property, plant and equipment, other than the construction in progress, is provided to write off the cost less their estimated residual values over their estimated useful lives, using straight-line method, at the following rates per annum:

Leasehold buildings	3.33% or over the lease term, whichever is shorter
Leasehold improvements	20% or over the lease term, whichever is shorter
Plant and machinery	10% to 20%
Furniture and office equipment	10% to 20%
Computer software	20%
Motor vehicles	10% to 20%

The assets' estimated residual values, depreciation methods and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Construction in progress represents plant and machinery under construction and is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.7 Property, plant and equipment — Continued

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

#### 3.8 Research and development activities

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

#### 3.9 Exploration and evaluation assets

Exploration and evaluation assets acquired in business combination are initially recognised at fair value and subsequently stated at cost less any impairment losses.

Exploration and evaluation assets include topographical and geological surveys, exploratory drillings, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing ores and to expand the capacity of a mine. Expenditure incurred prior to obtaining the legal rights to explore an area is written off as incurred.

When it can be reasonably ascertained that a mining property is capable of commercial production, exploration and evaluation costs are transferred to tangible and intangible assets according to the nature of the exploration and evaluation assets. If any project is abandoned during the exploration and evaluation stage, the related exploration and evaluation assets thereon will be written off to profit or loss.

No amortisation is charged during the exploration and evaluation phase.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.9 Exploration and evaluation assets — Continued

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment in accordance with HKFRS 6 “Exploration for and Evaluation of Mineral Resources” and HKAS 36 “Impairment of Assets” whenever one of the following events or changes in facts and circumstances indicate that the carrying amount may not be recoverable (the list is not exhaustive):

- (i) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For the purpose of assessing impairment, the exploration and evaluation assets subject to testing are grouped into each area of interest for which exploration activities are undertaken.

An impairment loss is recognised as an expense immediately for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level.

Corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset’s recoverable amount and only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.10 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiaries and associates are subject to impairment testing. These are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level.

Corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 3.11 Financial instruments

##### (i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.11 Financial instruments — Continued

##### (i) Financial assets — Continued

###### ***Debt instruments***

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group measures its debt instruments at amortised cost.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

###### ***Equity instruments***

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income ("FVOCI") are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.11 Financial instruments — Continued

##### (ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss (“ECL”) on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group measured loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12 months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.11 Financial instruments — Continued

##### (ii) Impairment loss on financial assets — Continued

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

##### ***Write-off policy***

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### (iii) Financial liabilities

###### ***Financial liabilities at amortised cost***

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost including trade, bill and other payables and borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.11 Financial instruments — Continued

##### (iii) Financial liabilities — Continued

###### **Financial liabilities at FVTPL**

Financial liabilities at FVTPL includes financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising the gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income does not include any interest charged on these financial liabilities.

##### (iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

##### (v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### (vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.12 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis, and in case of work-in-progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

#### 3.13 Cash and cash equivalents

For the purpose of the consolidated statement of financial position and the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and at banks, which are not restricted as to use.

#### 3.14 Leasing

##### **The Group as a lessee**

All leases are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise leases which are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

##### **Right-of-use asset**

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

The Group has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.14 Leasing — Continued

##### Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

##### The Group as a lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

#### 3.15 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognised in profit or loss on straight line method over the expected lives of the related assets.

#### 3.16 Income taxes

Income taxes comprise current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax liabilities are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.17 Retirement benefit costs and short-term employee benefits

Retirement benefits to employees are provided through several defined contribution plans.

##### **Defined contribution plan**

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contribution recognised in respect to defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

The Group contributes to defined contribution retirement benefit schemes registered under the Mandatory Provident Fund Scheme Ordinance (the “MPF Scheme”), which are available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are calculated as percentages of employees’ basic salaries. Retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to MPF Scheme. Assets of the MPF Scheme are held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the governments in the People’s Republic of China (the “PRC”), France and Brazil, the Group participates in a local municipal government retirement benefits scheme (the “Scheme”), whereby the Group is required to contribute a certain percentage of the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred. There were no provisions under the Scheme whereby forfeited contributions may be used to reduce future contributions.

##### **Short-term employee benefits**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION — CONTINUED

#### 3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### 3.19 Discontinued operations

A discontinued operation is a component of the Group (i.e. the operations and cash flows of which can be clearly distinguished from the rest of the Group) that either has been disposed of, or is classified as held for sale, and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the component meets the criteria to be classified as held for sale in accordance with HKFRS 5, if earlier.

When an operation is classified as discontinued, a single amount is presented in the consolidated statement of profit or loss and other comprehensive income, which comprises:

- The post-tax profit or loss of the discontinued operation; and
- The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (a) Key sources of estimation uncertainty

##### (i) Impairment of exploration and evaluation assets

The carrying value of exploration and evaluation assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The directors consider all facts and circumstances occurred to judge whether these facts and circumstances would suggest that the carrying amount of the exploration and evaluation assets may exceed its recoverable amount (i.e. impaired). Management reassesses the impairment of exploration and evaluation assets at the reporting dates (note 16). Following a review of the business, the outlook of the industry in Brazil and SAM's operating plans, the estimated recoverable values (estimated by the independent external valuer as the management's expert) are higher than their carrying amounts.

##### (ii) Impairment of receivables

The impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the risk of default and expected credit loss rates. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, existing market conditions including forward looking estimates at end of reporting period.

##### (iii) Impairment of non-financial assets (other than exploration and evaluation assets)

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of non-financial assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The estimation of the recoverable amounts of the CGUs involves complex and subjective estimates based on management's judgement of key variables and market conditions. In making these key estimates and judgements, the directors take into consideration assumptions that are mainly based on market conditions existing at the reporting dates and appropriate market and discount rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

##### (iv) Provision for net realisable value of inventories

Inventories are written down to net realisable value based on an assessment of their realisability. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the period in which such estimate is changed.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS — CONTINUED

#### (a) Key sources of estimation uncertainty — Continued

##### (v) Depreciation

The Group depreciates its property, plant and equipment in accordance with the accounting policies stated in note 3.7. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the assets.

##### (vi) Fair value of contingent consideration payables

Where the fair value of contingent consideration payables recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as probability of occurrence of certain events as stated in the agreements for contingent consideration. Changes in assumptions about these factors could affect the reported fair value of contingent consideration payables.

#### (b) Critical judgement

##### (i) Principal versus agent consideration

Significant judgements include determining whether the Group is acting as the principal in a transaction. The Group is a principal in a transaction if the Group obtains control of the products sold or services provided before they are transferred to customers. If control is unclear, when the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, the Group records revenues on a gross basis.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5. REVENUE

- (a) Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
<b>Continuing operations:</b>		
Sale of bauxite	205,304	–
Sale of lithium batteries	25,739	74,591
Battery testing service income	–	2,953
<b>Revenue from contracts with customers from continuing operations</b>	<b>231,043</b>	<b>77,544</b>
<b>Discontinued operation:</b>		
Platform service and riding service income	1,761	25,648
Advertising and related income	20	5,214
<b>Revenue from contracts with customers from discontinued operation</b>	<b>1,781</b>	<b>30,862</b>
Motor vehicles rental income ( <i>Note</i> )	4,318	17,706
<b>Revenue from discontinued operation</b>	<b>6,099</b>	<b>48,568</b>
<b>Timing of revenue recognition</b>		
At a point in time	231,416	75,515
Over time	1,408	32,891
	<b>232,824</b>	<b>108,406</b>

All contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

*Note:*

Variable lease payments that do not depend on an index or rate amounted to HK\$4,318,000 (2024: HK\$17,706,000).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5. REVENUE — CONTINUED

#### (b) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	Discontinued operation	Continuing operations			Sub-total	Total
	Online car-hailing and related services	Mineral resources exploration and trading	Lithium battery production	Trading of mineral resources		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Year ended 31 December 2025</b>						
Sale of bauxite	-	-	-	205,304	205,304	205,304
Sale of lithium batteries	-	-	25,739	-	25,739	25,739
Platform service and riding service income	1,761	-	-	-	-	1,761
Advertising and related income	20	-	-	-	-	20
Revenue from contracts with customers	1,781	-	25,739	205,304	231,043	232,824
Motor vehicles rental income	4,318	-	-	-	-	4,318
	6,099	-	25,739	205,304	231,043	237,142

	Discontinued operation	Continuing operations			Sub-total	Total
	Online car-hailing and related services	Mineral resources exploration and trading	Lithium battery production			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Year ended 31 December 2024</b>						
Sale of lithium batteries	-	-	74,591	74,591	74,591	74,591
Battery testing service income	-	-	2,953	2,953	2,953	2,953
Platform service and riding service income	25,648	-	-	-	-	25,648
Advertising and related income	5,214	-	-	-	-	5,214
Revenue from contracts with customers	30,862	-	77,544	77,544	77,544	108,406
Motor vehicles rental income	17,706	-	-	-	-	17,706
	48,568	-	77,544	77,544	77,544	126,112

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 6. SEGMENT REPORTING

The Group has identified its operating segment and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation and review of performance.

The Group's operating businesses are organised and managed separately according to the nature of product and service, with each segment representing a strategic business segment that offers different products and services in the People's Republic of China (the "PRC") and Brazil.

The Group has identified the following reportable segments:

Continuing operations:

- (i) "Mineral resources exploration and trading" segment involves research and exploration of mineral resources and trading of minerals in Brazil;
- (ii) "Lithium battery production" segment involves production and sale of lithium battery; and
- (iii) Trading of mineral resources — sales of bauxite in the PRC.

During the year ended 31 December 2025, the Group commenced the business engaging in trading of mineral resources in the PRC, and it is considered as a new operating and reportable segment by the Company's executive directors.

During the year ended 31 December 2025, the Group identified its online car-hailing and related services as discontinued operation upon disposal of subsidiaries (note 12). The segment information reported in note 6 to the consolidated financial statements does not include any amounts for this discontinued operation, which are described in more details as set out in note 12.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except that corporate income and expenses which are not included in arriving at the operating results of the operating segment.

Segment assets and liabilities exclude corporate assets and liabilities which are not directly attributable to the business activities of any operating segment, which primarily referred to deferred tax liabilities and those assets and liabilities included in the Group's headquarter.

The Company is an investment holding company. Principal places of the Group's operations are Hong Kong, the PRC and Brazil. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its place of domicile.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6. SEGMENT REPORTING — CONTINUED

Information regarding the Group's reportable segments provided to the Group's most senior management (i.e. the executive directors) is set out below:

	Continuing operations			Total HK\$'000
	Mineral resources exploration and trading HK\$'000	Lithium battery production HK\$'000	Trading of mineral resources HK\$'000	
<b>Year ended 31 December 2025</b>				
Reportable segment revenue (external customers)	–	25,739	205,304	231,043
Reportable segment profit/(losses)	(10,698)	(29,708)	11,072	(29,334)
Reportable segment assets	6,095,945	124,408	178,585	6,398,938
Reportable segment liabilities	121,178	250,292	164,675	536,145
Capital expenditure	10,112	2,754	–	12,866
Impairment loss on financial assets	–	1,081	2,253	3,334
Interest income	(121)	(1,136)	(14)	(1,271)
Interest expense	–	6,294	–	6,294
Depreciation	872	4,233	–	5,105
Amortisation	–	747	–	747

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 6. SEGMENT REPORTING — CONTINUED

	Continuing operations		
	Mineral resources exploration and trading <i>HK\$'000</i>	Lithium battery production <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 December 2024</b>			
Reportable segment revenue (external customers)	–	77,544	77,544
Reportable segment losses	(541,530)	(14,024)	(555,554)
Reportable segment assets	5,380,216	189,503	5,569,719
Reportable segment liabilities	119,121	280,936	400,057
Capital expenditure	4,123	3,078	7,201
Impairment loss on exploration and evaluation assets	534,169	–	534,169
Impairment loss on financial assets	–	48	48
Interest income	(8)	(2,658)	(2,666)
Interest expense	–	7,313	7,313
Other expenses	–	10,727	10,727
Depreciation	955	4,564	5,519
Amortisation	–	750	750

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6. SEGMENT REPORTING — CONTINUED

The total presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

#### Continuing operations

	2025 HK\$'000	2024 HK\$'000 <i>(Re-presented)</i>
Reportable segment revenue	231,043	77,544
Reportable segment losses	(29,334)	(555,554)
Other operating income	2,754	360
Administrative expenses	(13,945)	(15,135)
Share of results of associates	45	159
Impairment loss on financial assets	–	(23,851)
Fair value (loss)/gain on contingent consideration payables	(1,510)	1,576
Net (loss)/gain on financial assets at FVTPL	(19,335)	5,245
Finance costs	(277)	(159)
Gain on disposal of associate	725	–
Loss on lease modification	–	(1,845)
Loss before income tax from continuing operations	(60,877)	(589,204)
Reportable segment assets	6,398,938	5,569,719
Right-of-use assets	2,851	4,117
Interest in an associate	–	5,810
Financial assets at FVOCI	1	249
Prepayments, deposits and other receivables	1,260	2,784
Financial assets at FVTPL	30,038	49,373
Cash and cash equivalents	341,300	3,591
Assets relating to discontinued operation	–	51,778
	<b>6,774,388</b>	5,687,421
Reportable segment liabilities	536,145	400,057
Other payables and accrued expenses	224	5,403
Lease liabilities	4,447	6,344
Deferred tax liabilities	1,944,846	1,706,319
Liabilities relating to discontinued operation	–	55,350
	<b>2,485,662</b>	2,173,473

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6. SEGMENT REPORTING — CONTINUED

The Group's revenue from external customers and its non-current assets from continuing operations are divided into the following geographical areas:

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from external customers from continuing operations</b>		
PRC	231,043	12,588
United Kingdom	–	64,956
Reportable segment revenue	<b>231,043</b>	77,544
<b>Non-current assets (excluding financial assets)</b>		
Hong Kong	2,851	4,117
PRC	60,430	65,950
France	–	26,184
Brazil	6,088,507	5,368,755
Total non-current assets	<b>6,151,788</b>	5,465,006

Geographical location of customers is based on the location at which the goods and services are delivered whilst geographical location of non-current assets is determined based on (1) the physical location of the asset (for property, plant and equipment and right-of-use assets) and (2) location of operations (for exploration and evaluation assets and interest in an associate).

#### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A <sup>1</sup>	125,022	–
Customer B <sup>1</sup>	80,282	–
Customer C <sup>2</sup>	–	67,193

<sup>1</sup> Revenue from trading of mineral resources segment

<sup>2</sup> Revenue from lithium battery production segment

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 7. OTHER OPERATING INCOME, GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
<b>Continuing operations:</b>		
Bank interest income	4,017	2,764
Government grants (note (i))	1,677	4,148
Sundry income (note (ii))	6,966	9,559
Loss on lease modification	–	(1,845)
Gain/(loss) on disposal of property, plant and equipment	189	(10)
Gain on disposal of an associate	725	–
Net (loss)/gain on financial assets at FVTPL	(19,335)	5,245
	<b>(5,761)</b>	19,861
<b>Discontinued operation:</b>		
Bank interest income	–	1
Government grants	–	9
Sundry income	1,956	1,329
Gain on disposal of property, plant and equipment	–	44
	<b>1,956</b>	1,383
	<b>(3,805)</b>	21,244

Notes:

- (i) The balance represented government grant related to income of HK\$1.7 million (2024: government grant related to income of HK\$1.1 million and government grant related to assets of HK\$3.1 million). These government grants were received and complied with all attached conditions and therefore recognised in profit or loss during the years.
- (ii) Among the sundry income, HK\$5,595,000 (2024: HK\$5,621,000) is derived from a subsidiary of Zhejiang Geely Holding Group Company Limited ("Zhejiang Geely"). Since Zhejiang Geely is a substantial shareholder and a related party of the Company, this is a related party transaction.

### 8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
<b>Continuing operations:</b>		
Interest charges on bank borrowings	3,885	5,284
Interest on lease liabilities	277	159
Interest on provision	2,409	2,029
	<b>6,571</b>	7,472
<b>Discontinued operation:</b>		
Interest on lease liabilities	170	736
Imputed interest on other financial liabilities	381	1,857
	<b>551</b>	2,593
	<b>7,122</b>	10,065

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 9. LOSS BEFORE INCOME TAX

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
<b>Continuing operations:</b>		
Auditor's remuneration	1,670	1,539
Cost of inventories recognised as expenses (note (ii))	213,274	52,141
Depreciation	5,105	5,519
Amortisation of right-of-use assets (note (i))	2,013	2,007
Short-term leases expenses	1,602	379
Net foreign exchange gain	93	(4)
Research and development costs (note (i))	9,363	8,032
(Gain)/loss on disposal of property, plant and equipment	(189)	10
Write off of property, plant and equipment	1	29
Loss on lease modification	–	1,845
Other expenses (Note 26(a))	–	10,727
Impairment loss on financial assets:		
— Trade receivables (Note 21)	3,334	48
— Amount due from an associate (Note 22)	–	23,851
Impairment loss on financial assets, net	3,334	23,899
Impairment loss on exploration and evaluation assets	–	534,169
<b>Discontinued operation:</b>		
Depreciation	1,303	7,216
Amortisation of right-of-use assets	–	433
Short-term leases expenses	487	893
Net foreign exchange gain	1	–
Gain on disposal of property, plant and equipment	–	(44)
Write off of property, plant and equipment	–	476
Impairment loss on trade receivables	–	407
Impairment loss on property, plant and equipment	–	16,298
Impairment loss on right-of-use assets	–	2,921

Notes:

- (i) Included in administrative expenses.
- (ii) Write-down of inventories to net realisable value of approximately HK\$2,948,000 was included in "cost of inventories" of the consolidated statement of profit or loss and other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 10. INCOME TAX CREDIT

	2025 HK\$'000	2024 HK\$'000
<b>Continuing operations:</b>		
Current tax	–	–
Deferred tax	–	181,617
Income tax credit	–	181,617

No provision for Hong Kong profits tax has been provided by the Group as the Group had no estimated assessable profits arising in or derived from Hong Kong. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The PRC corporate income tax rate of 25% (2024: 25%) is applicable to the subsidiaries operated in the PRC.

Corporate income tax rates in Brazil of 34% (2024: 34%) is applicable to the subsidiaries operated in Brazil.

As the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

Reconciliation between income tax credit and accounting loss at applicable tax rates:

	2025 HK\$'000	2024 HK\$'000
Loss before income tax		
Continuing operations	<b>(60,877)</b>	(589,204)
Discontinued operation	<b>(4,549)</b>	(33,758)
	<b>(65,426)</b>	(622,962)
Tax on loss before income tax, calculated at the rates applicable to losses in the tax jurisdiction concerned	<b>(11,187)</b>	(201,601)
Tax effect of non-deductible expenses	<b>5,224</b>	5,556
Tax effect of non-taxable revenue	<b>(1,097)</b>	(1,128)
Tax effect of tax losses not recognised	<b>7,060</b>	15,556
Income tax credit	–	(181,617)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 11. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company and weighted average of ordinary shares in issue (after adjusting the effect of treasury shares held by the Company) during the year.

	2025 '000	2024 '000 (restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<b>14,328,220</b>	13,457,166

### (a) From continuing and discontinued operations

	2025 HK\$'000	2024 HK\$'000
Loss for the purpose of calculating basic loss per share	<b>(46,738)</b>	(412,879)

### (b) From continuing operations

	2025 HK\$'000	2024 HK\$'000
Loss for the year attributable to owners of the Company	<b>(46,738)</b>	(412,879)
Less: loss for the year from discontinued operation	<b>(113)</b>	(12,005)
Loss for the purpose of calculating basic loss per share from continuing operations	<b>(46,625)</b>	(400,874)

### (c) From discontinued operation

	2025 HK\$'000	2024 HK\$'000
Loss for the purpose of calculating basic loss per share from discontinued operation	<b>(113)</b>	(12,005)

For the years ended 31 December 2025 and 2024, there were no potential ordinary share in issue. Accordingly, the diluted loss per share presented is the same as the basic loss per share.

Bonus element arising from the issue of shares on share subscription completed on 27 March 2025 at the price lower than market value has been adjusted on the determination of weighted average number of shares. Weighted average number of shares for the year ended 31 December 2024 has been restated accordingly.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 12. DISCONTINUED OPERATION

On 21 March 2025, a non-wholly owned subsidiary of the Company entered into agreements with a related party of the Company in relation to the disposal of the entire issued share capital of Jixing International Technology Company Limited ("Jixing International"). Jixing International and its subsidiaries (collectively as "Jixing International Group") was principally engaged in online car-hailing and related services. The disposal was completed on 3 April 2025. The results and cash flows of the discontinued operation of online car-hailing and related services as well as the gain on disposal are set out below and note 35 respectively. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the online car-hailing and related services operation as a discontinued operation.

	2025* HK\$'000	2024 HK\$'000
Revenue	6,099	48,568
Cost of revenue	(4,030)	(31,163)
Gross profit	2,069	17,405
Other operating income, gains and losses	1,956	1,383
Selling and distribution costs	–	(241)
Administrative expenses	(8,023)	(30,086)
Impairment loss on financial assets	–	(407)
Impairment loss on property, plant and equipment	–	(16,298)
Impairment loss on right-of-use assets	–	(2,921)
Finance costs	(551)	(2,593)
<b>Loss before income tax</b>	<b>(4,549)</b>	<b>(33,758)</b>
Income tax expense	–	–
<b>Loss after income tax from discontinued operation</b>	<b>(4,549)</b>	<b>(33,758)</b>

The consolidated loss for the period from discontinued operation is set out below:

	2025* HK\$'000	2024 HK\$'000
Loss for the period from discontinued operation	(4,549)	(33,758)
Release of translation reserve upon disposal of subsidiaries (Note 35)	1,504	–
	<b>(3,045)</b>	<b>(33,758)</b>
<b>Cash flows from discontinued operation:</b>		
Operating cash flows	154	(5,432)
Investing cash flows	1,866	(1,770)
Financing cash flows	(458)	705
Net cash flows	<b>1,562</b>	<b>(6,497)</b>

\* For the period from 1 January 2025 to the date of disposal (i.e. 3 April 2025).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 13. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 HK\$'000	2024 HK\$'000
<b>Continuing operations:</b>		
Wages and salaries	24,302	28,231
Contribution to defined contribution plans	3,233	3,721
	<b>27,535</b>	31,952
<b>Discontinued operation:</b>		
Wages and salaries	2,573	19,518
Contribution to defined contribution plans	864	6,605
	<b>3,437</b>	26,123
	<b>30,972</b>	58,075

Employee benefit expenses of HK\$4,827,000 (2024: HK\$13,066,000), HK\$1,659,000 (2024: HK\$1,875,000) and HK\$24,486,000 (2024: HK\$43,134,000) have been included in cost of sales, selling and distribution costs and administrative expenses respectively.

Included in staff costs are key management personnel compensation and comprises the following categories:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, other allowances and benefits in kind	6,023	8,485
Contribution to defined contribution plans	948	367
	<b>6,971</b>	8,852

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 14. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap.622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) is as follows:

#### (a) Directors' emoluments

	Fees HK\$'000	Salaries and allowances HK\$'000	Contribution to defined contribution plans HK\$'000	Total HK\$'000
<b>Year ended 31 December 2025</b>				
<b>Executive directors</b>				
LIU Wei, William <sup>1</sup>	482	–	5	487
XU Zhihao <sup>2</sup> (Chief Executive Officer)	963	–	18	981
XU Bing <sup>2</sup>	–	–	–	–
CHEN Shengjie <sup>2</sup>	–	–	–	–
GU Wenting <sup>2</sup>	–	–	–	–
<b>Non-executive director</b>				
YAN Weimin <sup>4</sup>	–	–	–	–
<b>Independent non-executive directors</b>				
WANG Jiwei <sup>3</sup>	94	–	–	94
WANG Baogang <sup>3</sup>	94	–	–	94
HUANG Yongzhong <sup>3</sup>	94	–	–	94
CHAN Chun Wai, Tony <sup>4</sup>	87	–	–	87
MA Gang <sup>4</sup>	87	–	–	87
HA Chun <sup>4</sup>	87	–	–	87
	<b>1,988</b>	<b>–</b>	<b>23</b>	<b>2,011</b>
<b>Year ended 31 December 2024</b>				
<b>Executive directors</b>				
HE Xuechu <sup>5</sup>	1,385	–	14	1,399
LIU Wei, William	1,777	–	18	1,795
LIU Jian <sup>6</sup>	–	–	–	–
DAI Qing <sup>7</sup>	–	–	–	–
XU Zhihao <sup>2</sup>	205	–	3	208
XU Bing <sup>2</sup>	–	–	–	–
CHEN Shengjie <sup>2</sup>	–	–	–	–
GU Wenting <sup>2</sup>	–	–	–	–
<b>Non-executive director</b>				
YAN Weimin	–	–	–	–
<b>Independent non-executive directors</b>				
CHAN Chun Wai, Tony	204	–	–	204
MA Gang	204	–	–	204
HA Chun	204	–	–	204
	<b>3,979</b>	<b>–</b>	<b>35</b>	<b>4,014</b>

<sup>1</sup> Retired with effect from 1 April 2025

<sup>2</sup> Appointed with effect from 13 October 2024

<sup>3</sup> Appointed with effect from 23 June 2025

<sup>4</sup> Retired with effect from 23 June 2025

<sup>5</sup> Resigned with effect from 13 October 2024

<sup>6</sup> Resigned with effect from 28 March 2024

<sup>7</sup> Appointed with effect from 28 March 2024 and resigned with effect from 13 October 2024

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 14. DIRECTORS AND SENIOR MANAGEMENT'S EMOLUMENTS — CONTINUED

#### (a) Directors' emoluments — Continued

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

Fee, salaries and allowance paid to or for the executive directors are generally emoluments paid in respect of those persons' services in connection with the management of the affairs of the Company and its subsidiaries.

#### (b) Five highest paid individuals

The five individuals whose total emoluments were the highest in the Group for the year included one (2024: two) directors whose emoluments are reflected in the analysis presented above. Emoluments payable to the remaining four (2024: three) individuals during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	4,035	3,287
Contribution to defined contribution plans	925	332
	<b>4,960</b>	<b>3,619</b>

The emoluments fell within the following band:

	Number of individuals	
	2025	2024
Emolument band		
Nil to HK\$1,000,000	2	–
HK\$1,000,001 – HK\$1,500,000	2	3
	<b>4</b>	<b>3</b>

During the year ended 31 December 2025, no emoluments were paid by the Group to the directors or the four (2024: three) highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 15. PROPERTY, PLANT AND EQUIPMENT

	Land	Leasehold buildings	Leasehold improvements	Plant and machinery	Furniture and office equipment	Motor vehicles	Computer software	Construction in progress	Total
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
<b>Year ended 31 December 2024</b>									
Opening net book amount	87	12,870	343	17,647	706	57,030	795	499	89,977
Additions	-	-	49	294	1,798	269	23	2,424	4,857
Transfers	-	-	-	2,478	-	-	-	(2,478)	-
Disposals	-	-	-	-	(3)	(141)	-	-	(144)
Write off	-	-	-	-	(29)	(476)	-	-	(505)
Depreciation	-	(488)	(58)	(3,541)	(1,108)	(7,139)	(401)	-	(12,735)
Impairment	-	-	(290)	-	-	(16,008)	-	-	(16,298)
Exchange difference	(19)	(413)	(44)	(565)	(186)	(7,067)	(23)	(15)	(8,332)
<b>Closing net book amount</b>	<b>68</b>	<b>11,969</b>	<b>-</b>	<b>16,313</b>	<b>1,178</b>	<b>26,468</b>	<b>394</b>	<b>430</b>	<b>56,820</b>
<b>At 31 December 2024</b>									
Cost	68	205,356	3,631	377,086	9,464	179,653	4,664	1,033	780,955
Accumulated depreciation and impairment	-	(193,387)	(3,631)	(360,773)	(8,286)	(153,185)	(4,270)	(603)	(724,135)
<b>Net book amount</b>	<b>68</b>	<b>11,969</b>	<b>-</b>	<b>16,313</b>	<b>1,178</b>	<b>26,468</b>	<b>394</b>	<b>430</b>	<b>56,820</b>
<b>Year ended 31 December 2025</b>									
Opening net book amount	68	11,969	-	16,313	1,178	26,468	394	430	56,820
Additions	-	-	-	106	179	-	33	2,561	2,879
Additions through acquisition of subsidiaries (Note 37)	-	-	-	-	-	-	4	-	4
Transfers	-	-	-	2,561	-	-	-	(2,561)	-
Disposals	-	-	-	(10)	-	-	-	-	(10)
Disposal of subsidiaries (Note 35)	-	-	-	(14)	(53)	(28,890)	(59)	-	(29,016)
Write off	-	-	-	-	(1)	-	-	-	(1)
Depreciation	-	(515)	-	(3,456)	(974)	(1,382)	(81)	-	(6,408)
Exchange difference	9	501	-	681	110	4,148	15	18	5,482
<b>Closing net book amount</b>	<b>77</b>	<b>11,955</b>	<b>-</b>	<b>16,181</b>	<b>439</b>	<b>344</b>	<b>306</b>	<b>448</b>	<b>29,750</b>
<b>At 31 December 2025</b>									
Cost	77	214,192	2,395	393,933	9,337	1,664	3,565	1,077	626,240
Accumulated depreciation and impairment	-	(202,237)	(2,395)	(377,752)	(8,898)	(1,320)	(3,259)	(629)	(596,490)
<b>Net book amount</b>	<b>77</b>	<b>11,955</b>	<b>-</b>	<b>16,181</b>	<b>439</b>	<b>344</b>	<b>306</b>	<b>448</b>	<b>29,750</b>

Note:

The Group's land held as at 31 December 2025 and 2024, was a freehold land situated in the Brazil whilst the Group's leasehold buildings as at 31 December 2025 and 2024 are situated in the PRC and held under long term leases.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 15. PROPERTY, PLANT AND EQUIPMENT — CONTINUED

Depreciation of HK\$3,513,000 (2024: HK\$8,133,000), HK\$5,000 (2024: HK\$4,000) and HK\$2,890,000 (2024: HK\$4,598,000) have been included in cost of revenue, selling and distribution costs and administrative expenses respectively.

As at 31 December 2025, leasehold buildings with carrying amount of HK\$9,933,000 (2024: HK\$9,977,000) were pledged to secure the Group's bank borrowings (note 28).

As at 31 December 2024, motor vehicles of HK\$587,000 were pledged to secure the amount due to shareholder (note 26(c)).

#### Impairment assessment of the relevant assets of CGU of online car-hailing and related services

As at 31 December 2024, certain of the Group's property, plant and equipment and right-of-use assets of HK\$45,402,000 in total are mainly related to the CGU of online car-hailing and related services segment ("Online car-hailing and related services CGU"). As at 31 December 2024, the management regards the Online car-hailing and related services CGU with operating loss recorded for the current year and performing below management's expectation as having impairment indicator. The management carried out impairment assessment and a review of the recoverable amounts of relevant assets of Online car-hailing and related services CGU, which is amounted to HK\$26,183,000. The carrying amount of Online car-hailing and related services CGU is written down to its recoverable amount and the impairment loss amounting to HK\$19,219,000 has been allocated to the assets to offset the carrying amount of the asset is not reduced below the highest of its fair value less costs of disposal, its value in use and zero. As a result, impairment loss of HK\$16,298,000 on property, plant and equipment and HK\$2,921,000 on right-of-use assets (note 17) had been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024. The impairment loss recognised was mainly due to the continuous loss making under the keen competition of the online car-hailing market in Europe and inefficient maintenance services of the motor vehicles used in the Online car-hailing and related services which led to unreasonably high vehicle downtime.

As at 31 December 2024, the recoverable amount had been determined based on fair value less cost of disposal with reference to the active market, which is higher of its value-in-use. The key assumptions for the fair value less cost of disposal calculation were those regarding the market quoted prices of similar comparable assets and the depreciation adjustment. The recoverable amount has been determined by an independent professional valuer, BonVision International Appraisals Limited, under the market approach.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 16. EXPLORATION AND EVALUATION ASSETS

	2025 HK\$'000	2024 HK\$'000
At 1 January		
Cost	5,901,950	7,467,157
Accumulated impairment	(534,169)	–
<b>Net book amount</b>	<b>5,367,781</b>	7,467,157
For the year ended 31 December		
Opening net book amount	5,367,781	7,467,157
Additions	9,987	2,417
Additions through acquisition of subsidiaries ( <i>note 37(b)</i> )	8,847	–
Impairment loss	–	(534,169)
Exchange difference	701,550	(1,567,624)
<b>Net book amount</b>	<b>6,088,165</b>	5,367,781
At 31 December		
Cost	6,622,334	5,901,950
Accumulated impairment	(534,169)	(534,169)
<b>Net book amount</b>	<b>6,088,165</b>	5,367,781

As at 31 December 2025 and 2024, exploration and evaluation assets represented the rights to explore and identify prospective deposits of mineral resources in the states of Minas Gerais, Brazil and the expenditures incurred in the search for mineral resources.

Exploration and evaluation assets are assessed for impairment and a formal estimate of the recoverable amount is performed when facts and circumstances suggested that the carrying amount of an exploration and evaluation asset is less than its recoverable amount.

During the year ended 31 December 2025, the directors of the Company reviewed the carrying amount of exploration and evaluation assets, no impairment loss had been identified and recognised in the consolidated statement of profit or loss and other comprehensive income.

During the year ended 31 December 2024, the directors of the Company reviewed the carrying amount of exploration and evaluation assets, impairment indicators had been identified and impairment loss of HK\$534,169,000 had been recognised in the consolidated statement of profit or loss and other comprehensive income. The impairment is mainly due to the decrease in price of iron ore concentrate. In addition, the capital expenditure is increased for the year ended 31 December 2024. There is a new environmental deposit required by the Minas Gerais state government in Brazil, which applies to all relevant project in the Minas Gerais state. The requirement regulates the measurement and execution of environmental guarantees individually for each dam. The deposit amount was calculated mainly based on reservoir area, classification and purpose of the dam, and should be kept throughout the useful life of the dam, from its startup phase until the de-characterization and socio-environmental recovery.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 16. EXPLORATION AND EVALUATION ASSETS — CONTINUED

The recoverable amount of exploration and evaluation assets were valued by an independent professional valuer, BonVision International Appraisal Limited, and based on the estimated of fair value less cost of disposal. The valuation was based on the income-based approach and the excess earning method is adopted. This method looks at the current values of the tangible assets and other intangible assets employed as the benchmark for an estimated rate of return. The fair values of exploration and evaluation assets are level 3 fair value measurement. There were no changes to the valuation techniques during the year.

Assumptions and parameters of the valuation as at 31 December 2025 are as follows:

Approval of all required licenses	Mid 2029 (2024: Mid 2028)
Commencement of production	1 <sup>st</sup> quarter of 2033 (2024: 1 <sup>st</sup> quarter of 2032)
Annual production capacity	27.5 million tonnes (2024: 27.5 million tonnes) of iron concentrate
Resource estimates	Measured resources of 3,583 million tonnes (2024: 3,583 million tonnes) (16.63%) Indicated resources of 1,556 million tonnes (2024: 1,556 million tonnes) (16.05%)
Price of iron concentrate	US\$114 per tonnes (2024: US\$127 per tonnes)
Operating costs:	
— First 18 years of mining	US\$33.38 per tonnes (2024: US\$31.80 per tonnes)
— Remaining period of mining	US\$37.91 per tonnes (2024: US\$37.12 per tonnes)
Income tax rate	15.25% for the first ten years of operation 34% afterwards (2024: same term)
Capital expenditures:	
— Construction of infrastructure	US\$3,586 million (2024: US\$3,551 million)
Discount rate	20.77% (2024: 25.10%)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 17. RIGHT-OF-USE ASSETS

	Prepaid land lease payments <i>HK\$'000</i>	Offices <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	32,272	5,399	37,671
Amortisation	(750)	(1,690)	(2,440)
Lease modification	–	3,820	3,820
Impairment	–	(2,921)	(2,921)
Exchange difference	(1,044)	(491)	(1,535)
At 31 December 2024 and 1 January 2025	<b>30,478</b>	<b>4,117</b>	<b>34,595</b>
Amortisation	<b>(747)</b>	<b>(1,266)</b>	<b>(2,013)</b>
Exchange difference	<b>1,291</b>	–	<b>1,291</b>
At 31 December 2025	<b>31,022</b>	<b>2,851</b>	<b>33,873</b>

At 31 December 2025 and 2024, the Group's prepaid land lease payments represented up-front payments to acquire long-term interest in the usage of land situated in the PRC.

In 2025 and 2024, the Group leases a number of properties and offices for its operations. The leases run for an initial period of three years (2024: one to ten years). Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Details of the lease maturity analysis of lease liabilities are set out in note 29.

As at 31 December 2025, right-of-use assets of HK\$31,022,000 (2024: HK\$30,478,000) were pledged to secure the Group's bank borrowings (note 28).

Impairment loss of right-of-use assets of HK\$2,921,000 is recognised for the year ended 31 December 2024.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. INTEREST IN AN ASSOCIATE

	2025 HK\$'000	2024 HK\$'000
<b>Interest in an associate:</b>		
Cost of investment in unlisted associate	–	110,922
Share of post-acquisition losses and other comprehensive loss	–	(105,112)
Share of net assets	–	5,810

Movement of interests in an associate are as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	5,810	5,412
Share of results of associates	45	159
Share of other comprehensive income	(322)	239
Disposal of associate	(5,533)	–
As at 31 December	–	5,810

Details of the Group's associate are as follows:

Name	Place of incorporation/operation and principal activity	Percentage of ownership interests/voting rights/profit share
Shandong Forever New Energy Company Limited ("Shandong Forever")	The PRC/research, production and sales of lithium battery	Nil (2024: 24.5%) (indirectly)

During the year ended 31 December 2025, the Group completed the disposal of its entire interest in Shandong Forever and its receivables from Shandong Forever. This transaction has resulted in the recognition of a gain in profit or loss, calculated as follows.

	HK\$'000
Proceeds of disposal	10,312
Less: carrying amount of the 24.5% investment on the date of loss of significant influence	(5,533)
Debt assignment	(2,105)
Release of translation reserve	(1,949)
Gain recognised	725

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 18. INTEREST IN AN ASSOCIATE — CONTINUED

Summarised financial information of the Group's associate is as follows:

	Shandong Forever	
	2025*	2024
	HK\$'000	HK\$'000
Current assets	767	1,504
Non-current assets	86,765	84,170
Current liabilities	(699)	(518)
Non-current liabilities	(64,251)	(61,442)
Net assets	22,582	23,714
Group's share of net assets of the associate	5,533	5,810
Period/year ended		
Revenue	—	—
Other operating income	3,087	3,744
Expenses	(2,904)	(3,094)
Profit for the year	183	650
Other comprehensive income	(1,314)	973
Total comprehensive (loss)/income	(1,131)	1,623
Share of results of associate	45	159
Share of other comprehensive income of associate	(322)	239
Share of total comprehensive (loss)/income	(277)	398

\* For the period from 1 January 2025 to the date of disposal (i.e. 30 December 2025).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Listed:		
— Equity instruments measured at FVOCI	1	249

The balance represented the Group's strategic investments is a 1% interest in an equity security listed in the United States. The equity investment was irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

The fair value of the Group's investment in listed securities has been determined by reference to their quoted bid prices on the reporting date.

### 20. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	40,707	31,122
Work-in-progress	2,973	2,819
Finished goods	32,996	18,388
	<b>76,676</b>	52,329
Less: Write-down of inventories	<b>(46,821)</b>	(41,994)
	<b>29,855</b>	10,335

The following table shows the movement in write-down of inventories:

	2025 HK\$'000	2024 HK\$'000
At 1 January	41,995	45,403
Write-down	2,948	—
Write-off	—	(1,959)
Exchange difference	1,878	(1,450)
<b>At 31 December</b>	<b>46,821</b>	41,994

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 21. TRADE AND BILL RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables — Gross	152,449	37,217
Less: Impairment losses	(3,806)	(794)
Trade receivables — Net	148,643	36,423
Bill receivables	–	170
	<b>148,643</b>	<b>36,593</b>

Trade and bill receivables are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Renminbi (“RMB”)	148,643	25,048
EUR	–	11,545
	<b>148,643</b>	<b>36,593</b>

The following is ageing analysis of gross trade and bill receivables based on invoice date:

	2025 HK\$'000	2024 HK\$'000
0–30 days	143,160	8,079
31–90 days	–	8,088
91 to 180 days	4,974	19,198
Over 180 days	4,315	2,022
	<b>152,449</b>	<b>37,387</b>

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	794	373
Impairment loss recognised	3,334	500
Reversal of impairment loss	–	(45)
Write off due to disposal of subsidiaries	(438)	–
Exchange difference	116	(34)
At 31 December	<b>3,806</b>	<b>794</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 21. TRADE AND BILL RECEIVABLES — CONTINUED

The Group recognised provision for impairment of trade receivables based on the accounting policy stated in note 3.11. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 43.4.

As at 31 December 2025 and 2024, the Group did not hold any collateral as security or other credit enhancements over the trade and bill receivables.

### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Deposits	634	9,581
Value added tax receivables	2,990	7,150
Other receivables	859	1,058
Prepayment	3,770	2,017
Amount due from an associate, net of allowance	–	2,104
	<b>8,253</b>	21,910

The amount due from an associate is unsecured, bears no interest and is repayable on demand.

Movement in the loss allowance account in respect of the amount due from an associate during the year is as follows:

	HK\$'000
At 1 January 2024	896
Impairment loss recognised	23,851
<b>At 31 December 2024 and 1 January 2025</b>	<b>24,747</b>
Write off due to debt assignment	<b>(24,747)</b>
<b>At 31 December 2025</b>	<b>–</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Listed equity investments, at market value,		
— in Hong Kong — held for trading	29,909	49,261
— In PRC — held for trading	129	112
	<b>30,038</b>	<b>49,373</b>

At 31 December 2025 and 2024, the Group holds 14.14% (2024: 14.14%) equity interests in a company listed in Hong Kong.

The fair value of the Group's investment in listed securities has been determined by reference to their quoted bid prices on the reporting date.

### 24. RESTRICTED BANK DEPOSITS, TIME DEPOSITS WITH MATURITY OVER THREE MONTHS AND CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Bank balances and cash	158,930	54,261
Time deposit with maturity less than three months	227,800	11,523
<b>Cash and cash equivalents</b>	<b>386,730</b>	<b>65,784</b>
<b>Time deposit with maturity over three months</b>	<b>5,598</b>	<b>21,373</b>
	<b>392,328</b>	<b>87,157</b>

At 31 December 2025, restricted bank deposits of approximately HK\$13,482,000 (2024: HK\$16,386,000) represented guaranteed deposits placed in the banks in the PRC as securities for the Group's bill payables and bank facilities (2024: bill payables and bank facilities and guaranteed deposits placed in the banks in the Paris as securities for the lease agreement of the right-of-use asset).

Restricted bank deposits and cash at banks earn interest at floating rates based on the daily bank deposit rates.

At 31 December 2025, the Group had cash and bank balances denominated in RMB amounting to approximately HK\$44,137,000 (2024: HK\$56,411,000), which were deposited with the banks in the PRC and held in hand. RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 25. TRADE AND BILL PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	168,841	23,980
Bill payables	13,482	14,520
	<b>182,323</b>	<b>38,500</b>

The credit terms of trade payables vary according to the terms agreed with different suppliers. Aging analysis of trade and bill payables based on invoice date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	139,495	9,488
31–60 days	3,639	9,617
61–90 days	4,210	7,395
91–180 days	32,638	835
Over 180 days	2,341	11,165
	<b>182,323</b>	<b>38,500</b>

Note:

At 31 December 2025, bill payables are secured by the Group's restricted bank deposits of approximately HK\$13,482,000 (2024: HK\$14,520,000).

### 26. PROVISION, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2025 HK\$'000	2024 HK\$'000
Provision (Note a)	92,116	119,052
Other payables (Note b)	26,660	40,888
Accrued expenses	10,014	3,263
Deposits received	5,750	11,027
Amount due to shareholder (Note c)	–	2,412
	<b>134,540</b>	<b>176,642</b>
Analysed for reporting purposes as:		
Non-current liabilities	44,400	85,137
Current liabilities	90,140	91,505
	<b>134,540</b>	<b>176,642</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 26. PROVISION, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED — CONTINUED

Notes:

- (a) The following table shows the movements of provision and government grant repayable during the years:

	Provision for repayment of government grant <i>HK\$'000</i>
At 1 January 2024	147,690
Addition	10,727
Repayment	(37,021)
Accrued interest	2,029
Exchange difference	(4,373)
At 31 December 2024 and 1 January 2025	<b>119,052</b>
Repayment	<b>(32,400)</b>
Accrued interest	<b>2,409</b>
Exchange difference	<b>3,055</b>
At 31 December 2025	<b>92,116</b>

On 31 December 2022, Zhejiang Forever New Energy Company Limited ("Zhejiang Forever"), a subsidiary of the Company, entered into an agreement with certain local government entities in Zhejiang, PRC (the "Government"), pursuant to which, Zhejiang Forever shall repay the Government (a) by 31 December 2022, the government loan in the principal amount of RMB100 million (which Zhejiang Forever had already fully repaid in December 2022); and (b) by 29 February 2024, the government grants (the "Grants") received by Zhejiang Forever in relation to its production facilities in the aggregate amount of around RMB208.4 million, net of 20% to 30% of Zhejiang Forever's accumulated qualified plant and equipment investment as at 31 January 2024 (the percentage being subject to the category classification of the production facilities as at 31 January 2024) (the "Deductible Amount"). The maximum of the Deductible Amount shall not exceed the amount of the Grants received of around RMB208.4 million and if the maximum of Deductible Amount is reached as at 31 January 2024, no repayment of the Grants shall be made.

On 15 July 2024, Zhejiang Forever has entered into an agreement with the Government. Based on the consequence of the this agreement, further provision of approximately RMB9.9 million (equivalent to approximately HK\$10.7 million) was recognised in profit or loss for the year ended 31 December 2024.

Pursuant to the agreement with the Government on 15 July 2024, Zhejiang Forever shall repay the Government a total of approximately RMB144.1 million (equivalent to approximately HK\$154.8 million) by instalments. Zhejiang Forever shall repay the Government (a) by 15 July 2024, the Grants in the principal amount of RMB34.1 million (equivalent to HK\$37.0 million); (b) RMB30 million on or before 31 December 2025; (c) RMB40 million on or before 31 December 2026; and (d) RMB40 million on or before 31 December 2027. The balance payable on or before 31 December 2025, 2026 and 2027 are interest bearing at 2.00% per annum and payable together with the principal on the repayment date. The government grant repayable is guaranteed by the Zhejiang Geely, a company established in the PRC and controlled by Mr. Li Shufu ("Mr. Li").

As at 31 December 2025, RMB64.1 million (2024: RMB34.1 million) has been repaid.

- (b) The other payables of HK\$2,146,000 (2024: HK\$613,000) is related to purchase of property, plant and equipment.
- (c) As at 31 December 2024, the amount due to shareholder is interest bearing with 3 months EURIBOR plus 1.5%, secured by the Group's motor vehicles of HK\$587,000.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 27. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Contract liabilities	<b>10,837</b>	2,103

Details of contract liabilities are as follows:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities arising from:		
— Sale of lithium batteries	<b>10,837</b>	2,103

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<b>2,063</b>	321

### 28. BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank overdraft	–	90
Bank loans	<b>89,688</b>	105,357
	<b>89,688</b>	105,447
Represented by:		
Current liabilities	<b>20,202</b>	19,459
Non-current liabilities	<b>69,486</b>	85,988
	<b>89,688</b>	105,447

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 28. BORROWINGS — CONTINUED

Note:

As at 31 December 2025, bank loans of HK\$89,688,000 (2024: HK\$105,357,000) are secured by the Group's right-of-use assets and property, plant and equipment with carry amounts of HK\$31,022,000 and HK\$9,933,000 (2024: HK\$30,478,000 and HK\$9,977,000) respectively and the corporate guarantee from Zhejiang Geely Automobile Company Limited, a related party of the Company. Bank loans were repayable by instalments up to 3 June 2029 and were interest bearing at 3.75% (2024: 4.45%) per annum. Based on the repayment date, the Group's bank loans and bank overdraft are due for repayments as at 31 December 2025 and 2024 as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year or on demand	20,202	19,459
In the second years	20,202	19,369
In the third to fifth years	49,284	66,619
	<b>89,688</b>	<b>105,447</b>

### 29. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
<b>Lease liabilities:</b>		
Current	4,447	3,063
Non-current	–	11,591
	<b>4,447</b>	<b>14,654</b>

Future lease payments are due as follows:

	Future lease payments HK\$'000	Interest HK\$'000	Present value HK\$'000
<b>As at 31 December 2025</b>			
Due within one year	4,704	(257)	4,447
<b>As at 31 December 2024</b>			
Due within one year	3,962	(899)	3,063
Due between one and two years	5,737	(791)	4,946
Due between two to five years	5,188	(1,074)	4,114
Due over five years	2,722	(191)	2,531
	<b>17,609</b>	<b>(2,955)</b>	<b>14,654</b>

#### Operating leases — lessor

At 31 December 2025 and 2024, there is no undiscounted lease payments receivables under non-cancellable operating leases.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 30. DEFERRED INCOME

	2025 HK\$'000	2024 HK\$'000
At 1 January	–	3,134
Exchange difference	–	(43)
Government grant income recognised for the year	–	(3,091)
<b>At 31 December</b>	<b>–</b>	<b>–</b>

Deferred income represents government grants received by Zhejiang Forever in relation to its purchases of production facilities of lithium batteries in Zhejiang Province, the PRC. Such government grants are treated as deferred income and are recognised in consolidated statement of profit or loss and other comprehensive income in accordance with the Group's accounting policies shown in note 3.15.

### 31. DEFERRED TAX

Deferred tax is calculated in full on temporary differences under liability method using the tax rates applicable in the tax jurisdiction concerned. The followings are the major deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting years.

	Fair value adjustments arising from exploration and evaluation assets	
	2025 HK\$'000	2024 HK\$'000
At 1 January	<b>1,706,319</b>	2,420,928
Credit to profit or loss	–	(181,617)
Exchange difference	<b>238,527</b>	(532,992)
<b>At 31 December</b>	<b>1,944,846</b>	1,706,319

As at 31 December 2025, the Group has unused tax losses of HK\$572,022,000 (2024: HK\$554,213,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams and there was no taxable temporary difference related to accelerated tax depreciation as at year ended 31 December 2025. All tax losses of the Group have no expiry dates under the current tax legislation except for the tax losses amounting to HK\$291,966,000 (2024: HK\$237,907,000) incurred by subsidiaries in the PRC which will expire after 10 years (2024: 10 years) from the year in which the tax losses were incurred.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 32. OTHER FINANCIAL LIABILITIES

	2025 HK\$'000	2024 HK\$'000
At 1 January	12,337	10,761
Imputed interest	381	1,857
Exchange difference	10	(281)
Disposal of subsidiaries ( <i>note 35</i> )	(12,728)	–
At 31 December	–	12,337

As at 31 December 2024, the balance is non-interest bearing, unsecured and with mature date in 2028.

### 33. SHARE CAPITAL

	Number of shares '000	Total HK\$'000
Authorised:		
Ordinary shares of HK\$0.001 each at 1 January, 31 December 2024 and 2025	1,000,000,000	1,000,000

	Number of shares '000	HK\$'000
Issued and fully paid:		
Ordinary shares of HK\$0.001 each at 1 January 2024, 31 December 2024 and 1 January 2025	9,854,534	9,855
Issuance of new shares ( <i>note</i> )	4,700,000	4,700
Ordinary shares of HK\$0.001 each at 31 December 2025	14,554,534	14,555

*Note:*

On 13 October 2024, the Company entered into subscription agreements with Hong Bridge Capital and Mr. Xu Zhihao (the "Subscribers"), which each of the Subscriber has conditionally agreed to subscribe 4,500,000,000 shares and 200,000,000 shares at the subscription price of HK\$0.08 per share, respectively. The subscription of shares was completed on 27 March 2025. The net proceeds from the subscription of shares were approximately HK\$375,325,000. Further details were set out in the Company's circular on 22 November 2024 and Company's announcement on 27 March 2025.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 34. SHARE OPTIONS

#### 2022 share option scheme

On 26 May 2022, the Company passed a resolution to adopt a new share option scheme (the “2022 Share Option Scheme”) for the purpose to provide incentives or rewards to participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity. Participants of the 2022 Share Option Scheme include any director, eligible employee, adviser, consultant, agent, contractor, customer and supplier of any member of the Group or any invested entity whom the Board in its sole discretion considers eligible for the 2022 Share Option Scheme on the basis of his/her contribution to the development and growth of the Group.

For the purposes of the 2022 Share Option Scheme, the share options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants or any discretionary object of a participant which is a discretionary trust.

The total number of shares available for issue under the 2022 Share Option Scheme does not exceed 10% of the total number of shares in issue of the Company immediately following adoption of the 2022 Share Option Scheme on 26 May 2022.

No share option was granted, exercised, cancelled or lapsed under the 2022 Share Option Scheme during the years ended 31 December 2024 and 2025.

### 35. DISPOSAL OF SUBSIDIARIES

#### For the year ended 31 December 2025

As disclosed in note 12 to the consolidated financial statements, on 21 March 2025, a subsidiary of the Company (“Vendor”) entered into an equity transfer agreement with Zhejiang Zuozhongyou Electric Vehicle Service Co., Ltd. (“Purchaser”), a related party of the Group, to dispose of 35.56% equity interest in Jixing International at cash consideration of RMB1 (equivalent to HK\$1). The Purchaser is a company controlled by a controlling shareholder of the Company. Jixing International Group were principally engaged in online car-hailing and related services. The transaction was completed on 3 April 2025.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 35. DISPOSAL OF SUBSIDIARIES — CONTINUED

For the year ended 31 December 2025 — Continued

Net liabilities at the date of disposal were as follow:

	Jixing International Group HK\$'000
Property, plant and equipment	29,016
Trade receivables	47,086
Prepayments, deposits and other receivables	10,870
Cash and cash equivalents	4,365
Trade payables	(36,415)
Accruals and other payables and deposits received	(38,269)
Lease liabilities	(8,364)
Other financial liabilities	(12,728)
Non-controlling interests	2,560
Net liabilities disposed of	(1,879)
Satisfied by:	
Cash consideration	—*
Net liabilities disposed of	(1,879)
Deemed contribution arising from disposal of subsidiaries (Note (a))	(1,879)
Reclassification of cumulative translation reserve upon disposal to profit or loss (note 12)	1,504
Net cash outflow arising on disposal:	
Cash received	—*
Cash and cash equivalents disposed of	(4,365)
Net cash outflow	(4,365)

\* cash consideration is RMB1

The impact of Jixing International Group on the Group's results and cash flows in the current and prior periods is disclosed in note 12 to the consolidated financial statements.

Notes:

- (a) Since the Purchaser is a company controlled by a substantial shareholder of the Company. The transaction, that resulted in a gain on disposal of subsidiaries and the loss of control, involves a contribution from owners in their capacity as owners, would consider as deemed contribution from shareholder and recognised in the consolidated statement of changes in equity.
- (b) Translation reserve of HK\$1,504,000 was re-classified to the profit or loss upon the disposal of subsidiaries (Note 12).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 36. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	37	324	314
Property, plant and equipment		–	–
Financial assets at FVOCI		1	249
Amounts due from subsidiaries		886,948	860,657
Right-of-use assets		2,851	4,117
		<b>890,124</b>	865,337
<b>Current assets</b>			
Financial assets at FVTPL		30,038	49,373
Deposits and other receivables		2,267	1,731
Cash and cash equivalents		341,122	3,441
		<b>373,427</b>	54,545
<b>Current liabilities</b>			
Amounts due to subsidiaries		156	5,613
Lease liabilities		4,447	1,896
Other payables, accruals and deposits received		10,376	2,243
		<b>14,979</b>	9,752
<b>Net current assets</b>		<b>358,448</b>	44,793
<b>Total assets less current liabilities</b>		<b>1,248,572</b>	910,130
<b>Non-current liabilities</b>			
Lease liabilities		–	4,447
<b>Net assets</b>		<b>1,248,572</b>	905,683
<b>EQUITY</b>			
Share capital	33	14,555	9,855
Reserves	39	1,234,017	895,828
<b>Total equity</b>		<b>1,248,572</b>	905,683

On behalf of directors

**Xu Zhihao**  
Chairman

**Chen Shengjie**  
Director

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 37. INTERESTS IN SUBSIDIARIES

The below table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the year or formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Particulars of the principal subsidiaries at 31 December 2025 are as follows:

Name of subsidiary	Place of incorporation and kind of legal entity	Particulars of issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities and place of operation
			Directly	Indirectly	
New Trinity Holdings Limited	British Virgin Islands ("BVI"), limited liability company	10,000 ordinary shares of US\$1 each	–	100%	Investment holding, Hong Kong
SAM	Brazil, limited liability company	10,000 ordinary shares in Reais ("R\$") 5,266,604	–	100%	Research and exploration of iron ores, Brazil
Zhejiang Forever <sup>1</sup>	PRC, limited liability company	Registered capital of US\$80,000,000	–	52%	Research and development, production, sales of lithium-ion battery and battery system, PRC
Profit Well Global Limited	BVI, limited liability company	50,000 ordinary shares of US\$1 each	–	100%	Investment holding, Hong Kong
Guangxi Tuoxin Mining Company Limited ("Guangxi Tuoxin") <sup>2</sup>	PRC, limited liability company	Registered capital of RMB69,500,000	–	100%	Bauxite trading, PRC
Lotus Brasil Comercio E Logistica LTDA. <sup>2</sup>	Brazil, limited liability company	Registered capital of Reais 10,000	–	100%	Research and exploration of iron ores, Brazil

Notes:

<sup>1</sup> sino-foreign equity joint venture

<sup>2</sup> subsidiaries newly acquired during the year ended 31 December 2025

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 37. INTERESTS IN SUBSIDIARIES — CONTINUED

#### (a) Details of non-wholly owned subsidiaries that have non-controlling interests

As at 31 December 2025, non-controlling interests ("NCI") of the Group is represented by 48% (2024: 48%) equity interests in Zhejiang Forever held by non-controlling shareholders. As at 31 December 2024, 64.44% equity interests in Jixing International Group held by non-controlling shareholders. The Group disposed all the equity interest held in Jixing International Group during the year ended 31 December 2025.

Summarised financial information in relation to the NCI of Zhejiang Forever and Jixing International Group is presented below:

	Zhejiang Forever		Jixing International Group
	2025 HK\$'000	2024 HK\$'000	2024 HK\$'000
For the year ended 31 December			
Revenue	<b>25,739</b>	77,544	48,568
Loss for the year	<b>(29,692)</b>	(13,986)	(33,758)
Total comprehensive loss	<b>(33,384)</b>	(9,717)	(40,051)
Loss allocated to NCI	<b>(14,252)</b>	(6,713)	(21,753)
Cash flows from operating activities	<b>(43,376)</b>	(51,631)	(5,432)
Cash flows from investing activities	<b>(1,531)</b>	13,475	(1,770)
Cash flows from financing activities	<b>(25,950)</b>	(24,618)	705
Net cash outflows	<b>(70,857)</b>	(62,774)	(6,497)
As at 31 December			
Current assets	<b>65,065</b>	129,382	25,594
Non-current assets	<b>49,873</b>	49,584	26,184
Current liabilities	<b>(133,090)</b>	(109,811)	(35,869)
Non-current liabilities	<b>(117,202)</b>	(171,125)	(19,481)
Net liabilities	<b>(135,354)</b>	(101,970)	(3,572)
Accumulated NCI	<b>(59,576)</b>	(43,039)	(2,302)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 37. INTERESTS IN SUBSIDIARIES — CONTINUED

(b) During the year ended 31 December 2025, the Group acquired the following subsidiaries.

- (i) 100% equity interest in Guangxi Tuoxin at cash consideration of RMB2,280,000 (equivalent to HK\$2,433,000).
- (ii) 95% equity interest in Lotus Fortune Holdings Limited and its subsidiary (“Lotus Fortune Group”) at cash consideration of USD1 (equivalent to HK\$7.80).

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Guangxi Tuoxin <i>HK\$'000</i>	Lotus Fortune Group <i>HK\$'000</i>
Property, plant and equipment	–	4
Exploration and evaluation assets	–	8,847
Other receivables, deposits and prepayments	379	642
Cash and cash equivalents	2,628	23
Other payables, accruals and deposits received	(574)	(9,516)
<b>Total consideration</b>	<b>2,433</b>	<b>–</b>
Satisfied by:		
Cash consideration	2,433	–
Analysis of net cash inflow arising on acquisition of subsidiary:		
Cash consideration	(2,433)	–
Less: cash and cash equivalent acquired of	2,628	23
	<b>195</b>	<b>23</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 38. DIVIDENDS

The Board does not recommend the payment of a final dividend for the years ended 31 December 2025 and 2024.

### 39. RESERVES

Treasury shares reserve represented the fair value at the date of disposal of Hill Talent Limited and its subsidiaries (the "Hill Talent Group"), former subsidiaries of the Company, in 2013 of 226,500,000 ordinary shares of the Company held by the purchaser which were receivable as part of the consideration of the disposals of the Hill Talent Group. During the year ended 31 December 2024, total 65,218,000 treasury shares with carrying amount of HK\$79,566,000 were disposed at consideration of HK\$21,018,000. As at 31 December 2025, the Company held 50,882,000 (2024: 50,882,000) ordinary shares as treasury shares.

Translation reserve mainly represented the foreign exchange differences arising from the translation of the financial statements of foreign operations into HK\$.

Other reserve represented gains/losses arising from changes in Group's interests in a subsidiary that do not result in change in control.

#### Company

	Share premium <i>HK\$'000</i>	Treasury shares reserve <i>HK\$'000</i>	FVOCI reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	3,563,686	(141,644)	(103,328)	(2,432,224)	886,490
Disposal of treasury shares	–	79,566	–	(58,548)	21,018
Loss for the year	–	–	–	(11,390)	(11,390)
Changes of fair value of financial assets at FVOCI	–	–	(290)	–	(290)
<b>At 31 December 2024 and 1 January 2025</b>	<b>3,563,686</b>	<b>(62,078)</b>	<b>(103,618)</b>	<b>(2,502,162)</b>	<b>895,828</b>
Subscription of shares	371,300	–	–	–	371,300
Transaction cost on subscription of shares	(675)	–	–	–	(675)
Loss for the year	–	–	–	(32,188)	(32,188)
Changes of fair value of financial assets at FVOCI	–	–	(248)	–	(248)
<b>At 31 December 2025</b>	<b>3,934,311</b>	<b>(62,078)</b>	<b>(103,866)</b>	<b>(2,534,350)</b>	<b>1,234,017</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 40. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided for Property, plant and equipment	<b>14,992</b>	13,527

As at 31 December 2025 and 2024, the estimated capital expenditures for the mineral resources exploration business in Brazil, which is operated by SAM, are stated in note 16.

### 41. CONTINGENT CONSIDERATION PAYABLES

	2025 HK\$'000	2024 HK\$'000
At 1 January	<b>117,471</b>	119,047
Fair value loss/(gain)	<b>1,510</b>	(1,576)
At 31 December	<b>118,981</b>	117,471

Under the settlement agreement related to the acquisition of SAM, the Group is committed to pay a maximum aggregate amount of US\$60,000,000 (equivalent to approximately HK\$468,000,000) contingent additional payment and conditional mining production payment to the sellers upon occurrence of certain events. Details of the settlement agreement are set out in the Company's announcement dated 13 May 2016.

The contingent consideration payables represent the fair value of the obligation for the contingent payable in accordance with the new settlement and are estimated by independent professional valuers, BonVision International Appraisals Limited. As at 31 December 2025, the fair value of the contingent consideration payables was estimated by applying probabilistic approach at a discount rate of 11.67% (2024: 12.20%) and the probability of occurrence of certain events as stated in the settlement agreement such as occurrence of disposal event or the commencement of mining. The higher the discount rate, the lower the fair value.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount and fair value of financial assets and liabilities.

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets</b>		
<b>Financial assets measured at FVTPL:</b>		
Current assets		
Listed equity securities held for trading	30,038	49,373
<b>Financial assets measured FVOCI:</b>		
Non-current assets		
Listed equity securities	1	249
<b>Financial assets measured at amortised cost:</b>		
Current assets		
Trade and bill receivables	148,643	36,593
Deposits and other receivables	1,493	10,639
Amount due from an associate	–	2,104
Restricted bank deposits	13,482	16,386
Time deposits with maturity over three months	5,598	21,373
Cash and bank balances	386,730	65,784
	<b>555,946</b>	<b>152,879</b>
<b>Financial liabilities</b>		
<b>Financial liabilities measured at FVTPL:</b>		
Non-current liabilities		
Contingent consideration payables	118,981	117,471
<b>Financial liabilities measured at amortised cost:</b>		
Current liabilities		
Trade and bill payables	182,323	38,500
Other payables and accrued expenses	36,674	46,563
Borrowings	20,202	19,459
Non-current liabilities		
Borrowings	69,486	85,988
Other financial liabilities	–	12,337
	<b>308,685</b>	<b>202,847</b>
<b>Lease liabilities</b>		
Current liabilities	4,447	3,063
Non-current liabilities	–	11,591
	<b>4,447</b>	<b>14,654</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 42. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY — CONTINUED

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments that are measured at fair value in the statements of financial position:

- Level 1: fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: fair value measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial assets or liabilities are categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

As at 31 December 2025	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
— financial assets measured at FVOCI:				
Listed shares ( <i>note 19</i> )	1	–	–	1
— financial assets measured at FVTPL:				
Listed shares ( <i>note 23</i> )	30,038	–	–	30,038
	<b>30,039</b>	–	–	<b>30,039</b>
<b>Liabilities</b>				
Contingent consideration payables ( <i>note 41</i> )	–	–	118,981	118,981

As at 31 December 2024	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Assets</b>				
— financial assets measured at FVOCI:				
Listed shares ( <i>note 19</i> )	249	–	–	249
— financial assets measured at FVTPL:				
Listed shares ( <i>note 23</i> )	49,373	–	–	49,373
	<b>49,622</b>	–	–	<b>49,622</b>
<b>Liabilities</b>				
Contingent consideration payables ( <i>note 41</i> )	–	–	117,471	117,471

There were no transfers between levels during the year.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk, interest risk and equity price risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long-term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. Management identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the directors.

#### 43.1 Foreign currency risk

The Group's exposure to currency exchange rates is minimal as the group companies usually hold most of their financial assets/liabilities in their own functional currencies. Currently the Group does not have foreign currency hedging policy but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

#### 43.2 Interest rate risk

The Group's exposure to cash flow interest rate risk is minimal as the Group has no financial assets or liabilities of material amounts with floating interest rates except for deposits held in banks as at 31 December 2025 and 2024. The exposure to fluctuations in interest rates for the Group's bank deposits, bank and other borrowing are considered immaterial.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The directors are of the opinion that sensitivity of the Group's loss after tax and retained earnings to a reasonable change in the interest rates are assessed to be immaterial. Changes in interest rates have no impact on other components of equity.

#### 43.3 Equity price risk

The Group is exposed to equity price risk through its investments classified as financial assets at FVTPL and financial assets at FVOCI. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of the investments.

If the quoted prices of the listed equity securities (included in financial assets at FVTPL and financial assets at FVOCI), had been 5% (2024: 5%) higher/lower, the loss before tax for the year ended 31 December 2025 would decrease/increase by HK\$1,254,000 (2024: HK\$2,469,000) and no material impact on other comprehensive loss for the year ended 31 December 2025 (2024: other comprehensive loss would decrease/increase by HK\$12,000).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — CONTINUED

#### 43.4 Credit risk

The Group continuously monitors defaults of customers and other counterparties, identifies either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group has concentration of credit risk as 95% (2024: 60%) of the Group's trade receivables was due from one customer as at the reporting date. The Group continuously and actively evaluates the credit risk of these debtors.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs for both years, which is calculated using a provision matrix. The Group recognised lifetime ECL for trade and bill receivables based on collective basis. As at 31 December 2025 and 2024, the expected loss rates applied in the provision matrix are determined by the directors' shared credit risk characteristics, including background of the customers and their historical payment behaviour, actual loss experience and information pertaining to the economic environment in which the debtors operated.

For deposits and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of these receivables based on historical settlement records and experience. The directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment assessment based on risk of these amount since initial recognition and the Group provided impairment assessment based on 12 months ECL. For the years ended 31 December 2025 and 2024, the Group assessed the ECL for deposits and other receivables was insignificant and thus no loss allowance was recognised.

As at 31 December 2025, the amount due from an associate is derecognised in the debt assignment through the disposal of an associate. As at 31 December 2024, the management of the Group has reviewed the recoverability of the balance periodically based on historical settlement records, experience and forward-looking information. The associate did not have operation for the year. The Group measures loss allowances for amount due from an associate based on the lifetime ECL — non credit-impaired for the year ended 31 December 2024. The expected loss rate applied is approximately 92.16%.

The credit risk on the bank balances, time deposits and restricted bank deposits is considered negligible as the counterparties are reputable banks with high quality external credit ratings.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — CONTINUED

#### 43.4 Credit risk — Continued

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and amount due from an associate:

	Expected loss rate	Gross carrying amount <i>HK\$'000</i>	Loss allowance <i>HK\$'000</i>
<b>As at 31 December 2025</b>			
<b>Trade receivables</b>			
Current (not past due)	1.62%	143,160	2,320
1–90 days past due	19.74%	4,974	982
Over 90 days past due	11.68%	4,315	504
		<b>152,449</b>	<b>3,806</b>
<b>As at 31 December 2024</b>			
<b>Trade receivables</b>			
Current (not past due)	1.11%	13,487	150
1–90 days past due	1.63%	15,179	248
Over 90 days past due	4.54%	8,721	396
		37,387	794
Amount due from an associate	92.16%	26,851	24,747

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — CONTINUED

#### 43.4 Credit risk — Continued

Movement in the loss allowance in respect of 12-month ECL and lifetime ECL during the years ended 31 December 2025 and 2024 is as follows:

	12-month ECL Amount due from an associate <i>HK\$'000</i>	Lifetime ECL (not credit- impaired) Trade receivables <i>HK\$'000</i>	Lifetime ECL (non-credit- impaired) Amount due from an associate <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	896	373	–	1,269
Transfer to lifetime ECL	(896)	–	896	–
Impairment losses recognised	–	500	23,851	24,351
Reversal of impairment losses	–	(45)	–	(45)
Exchange difference	–	(34)	–	(34)
At 31 December 2024 and 1 January 2025	–	<b>794</b>	<b>24,747</b>	<b>25,541</b>
Impairment losses recognised	–	<b>3,334</b>	–	<b>3,334</b>
Write off due to debt assignment	–	–	<b>(24,747)</b>	<b>(24,747)</b>
Write off due to disposal of subsidiaries	–	<b>(438)</b>	–	<b>(438)</b>
Exchange difference	–	<b>116</b>	–	<b>116</b>
<b>At 31 December 2025</b>	–	<b>3,806</b>	–	<b>3,806</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES — CONTINUED

#### 43.5 Liquidity risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored on a day-to-day basis. Long-term liquidity needs for a 360-day lookout period are identified monthly.

The Group maintains mainly cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by the ability to sell long-term financial assets.

As at 31 December 2025 and 2024, the Group's financial liabilities have contractual maturities which are summarised below:

	Within 1 year or on demand <i>HK\$'000</i>	1-5 years <i>HK\$'000</i>	Over 5 years <i>HK\$'000</i>	Total undiscounted amount <i>HK\$'000</i>	Total carrying amount <i>HK\$'000</i>
<b>At 31 December 2025</b>					
Non-derivatives:					
Trade and bill payables	182,323	–	–	182,323	182,323
Other payables and accrued expenses	36,674	–	–	36,674	36,674
Lease liabilities	4,704	–	–	4,704	4,447
Borrowings	23,416	74,032	–	97,448	89,688
Contingent consideration payables	–	157,199	–	157,199	118,981
	<b>247,117</b>	<b>231,231</b>	<b>–</b>	<b>478,348</b>	<b>432,113</b>
<b>At 31 December 2024</b>					
Non-derivatives:					
Trade and bill payables	38,500	–	–	38,500	38,500
Other payables and accrued expenses	46,563	–	–	46,563	46,563
Lease liabilities	3,962	10,925	2,722	17,609	14,654
Borrowings	23,206	93,428	–	116,634	105,447
Contingent consideration payables	–	157,053	–	157,053	117,471
Other financial liabilities	–	14,899	–	14,899	12,337
	<b>112,231</b>	<b>276,305</b>	<b>2,722</b>	<b>391,258</b>	<b>334,972</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 44. CAPITAL MANAGEMENT

The Group's objectives when managing capital include:

- (i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns for shareholders and benefits for other stakeholders;
- (ii) To support the Group's stability and growth; and
- (iii) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or raise new debts, or sell assets to reduce debt.

The capital-to-overall financing ratio at reporting date was as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Capital</b>		
Total equity	<b>4,288,726</b>	3,513,948
<b>Overall financing</b>		
Borrowings	<b>89,688</b>	105,447
Capital-to-overall financing ratio	<b>47.82 times</b>	33.32 times

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 45. RELATED PARTIES TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had also entered into the following significant transactions and balances with the following related parties:

Name of related party	Nature of transactions	2025 HK\$'000	2024 HK\$'000
Zhejiang Geely and its subsidiaries (Note (a))	Sales of lithium-ion batteries	13,220	67,193
	Purchase of lithium-ion battery cells	1,864	–
	Trade receivables	6,258	–
	Trade payables	10,161	21,930
Zhejiang Geely Powertrain Company Limited (Note (b))	Trade receivables	1,349	1,323
Zhejiang Yaoning Technology Co. Ltd. and its subsidiaries (Note (c))	Purchase of lithium-ion battery cells	24,913	2,715
	Trade payables	–	1,783
	Provision of batteries testing services (Note (e))	–	2,953
Geely Technology Group Co., Ltd. (“Geely Technology”) and its subsidiaries (Note (d))	Purchase of bauxite	190,333	–
	Trade payables	151,098	–

Notes:

- Zhejiang Geely is a shareholder of the Company and therefore is a related party of the Company.
- Zhejiang Geely Powertrain Company Limited (“Powertrain”) is an indirect subsidiary of Zhejiang Geely, in which Zhejiang Geely is a shareholder of the Company. Therefore, Powertrain is a related party of the Company.
- Mr. Li Xingxing indirectly holds 80.8% of the equity interests in Zhejiang Yaoning Technology Co. Ltd. (“Zhejiang Yaoning”) and is also the son of Mr. Li, the controlling shareholder of the Company. Therefore, Zhejiang Yaoning Group a related party of the Company.
- Geely Technology is the substantial shareholder of the Company and regards as a related party of the Company.
- In 2024, Zhejiang Forever and Huzhou Yaoning Solid-state Battery Research Institute Co., Ltd. (“Huzhou Yaoning”) entered into service agreement, pursuant to which Zhejiang Forever will provide certain support such as sites, equipment, power supply, personnel and other support to assist Huzhou Yaoning to install a battery pilot line and conduct testing of batteries commencing from 1 February 2024 to 30 December 2024. Huzhou Yaoning is a subsidiary of Zhejiang Yaoning Technology Co. Ltd. and therefore is a related party of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 46. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financial activities:

	Amount due to shareholder (Note 26)		Borrowings (Note 28)		Lease liabilities (Note 29)		Other financial liabilities (Note 32)	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January	2,412	–	105,447	128,951	14,654	12,932	12,337	10,761
Changes from cash flows:								
Advance from shareholders	–	2,534	–	–	–	–	–	–
Drawdown of borrowings and bank overdraft	–	–	–	95	–	–	–	–
Repayment of borrowings	–	–	(19,746)	(19,749)	–	–	–	–
Repayment of principal portion of lease liabilities	–	–	–	–	(2,204)	(3,323)	–	–
Interest paid	–	–	(3,885)	(5,284)	(447)	(895)	–	–
Total changes from financing cash flows	–	2,534	(23,631)	(24,938)	(2,651)	(4,218)	–	–
Other changes:								
Lease modification	–	–	–	–	–	5,665	–	–
Exchange difference	107	(122)	3,987	(3,850)	361	(620)	10	(281)
Disposal of subsidiaries	(2,519)	–	–	–	(8,364)	–	(12,728)	–
Interest expenses	–	–	3,885	5,284	447	895	381	1,857
At 31 December	–	2,412	89,688	105,447	4,447	14,654	–	12,337

### 47. EVENTS AFTER REPORTING PERIOD

No significant events that required additional disclosure or adjustments occurred after the end of the reporting period.

### 48. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2025 were approved for issue by the Board of Directors on 26 March 2026.

## FINANCIAL SUMMARY

### FINANCIAL RESULTS

	Year ended 31 December				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
					(Re-presented)
<b>CONTINUING OPERATIONS</b>					
Revenue	478,917	130,491	226,961	77,544	<b>231,043</b>
Cost of revenue	(363,791)	(98,825)	(176,301)	(60,557)	<b>(221,523)</b>
Other operating income, gains and losses	114,590	(33,664)	(13,149)	19,861	<b>(5,761)</b>
Selling and distribution costs	(12,995)	(5,867)	(6,922)	(4,962)	<b>(4,637)</b>
Administrative expenses	(92,824)	(95,558)	(106,143)	(46,558)	<b>(48,629)</b>
Other expenses	–	(151,778)	–	(10,727)	–
Loss on deemed disposal of a subsidiary	–	–	–	–	–
Impairment loss on exploration and evaluation assets	–	–	–	(534,169)	–
Impairment loss on financial assets, net	(10)	(799)	(130)	(23,899)	<b>(3,334)</b>
Impairment loss on property, plant and equipment	(18,244)	(19,060)	(62,621)	–	–
Impairment loss on right-of-use assets	–	(1,665)	(4,213)	–	–
Gain on bargain purchase	–	170	–	–	–
Gain/(loss) on changes in fair value of contingent consideration payables	(3,342)	(3,123)	(6,257)	1,576	<b>(1,510)</b>
Share of results of associates	(4,868)	(1,385)	(589)	159	<b>45</b>
Gain on re-measurement of pre-existing interests in an associate	–	27,047	–	–	–
Finance costs	(8,780)	(8,743)	(9,447)	(7,472)	<b>(6,571)</b>
Profit/(loss) before income tax from continuing operations	88,653	(262,759)	(158,811)	(589,204)	<b>(60,877)</b>
Income tax credit	–	–	–	181,617	–
Profit/(loss) for the year from continuing operations	88,653	(262,759)	(158,811)	(407,587)	<b>(60,877)</b>
<b>Discontinued operation</b>					
Loss for the year from discontinued operation	–	(39,102)	(8,309)	(33,758)	<b>(3,045)</b>
<b>Profit/(loss) for the year</b>	<b>88,653</b>	<b>(301,861)</b>	<b>(167,120)</b>	<b>(441,345)</b>	<b>(63,922)</b>
<b>Profit/(loss) for the year attributable to:</b>					
Owners of the Company					
— Continuing operations	88,500	(160,054)	(98,210)	(400,874)	<b>(46,625)</b>
— Discontinued operation	–	(39,102)	(8,309)	(12,005)	<b>(113)</b>
	88,500	(199,156)	(106,519)	(412,879)	<b>(46,738)</b>
Non-controlling interests					
— Continuing operations	153	(102,705)	(60,601)	(6,713)	<b>(14,252)</b>
— Discontinued operations	–	–	–	(21,753)	<b>(2,932)</b>
	88,653	(301,861)	(167,120)	(441,345)	<b>(63,922)</b>

## FINANCIAL SUMMARY

### ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total assets	7,308,648	7,530,749	7,956,082	5,687,421	<b>6,774,388</b>
Total liabilities	(2,622,857)	(2,823,742)	(2,982,103)	(2,173,473)	<b>(2,485,662)</b>
Non-controlling interests	(31,745)	(35,449)	14,206	45,341	<b>59,576</b>
Equity attributable to owners of the Company	4,654,046	4,671,558	4,988,185	3,559,289	<b>4,348,302</b>