EvDynamics

Ev Dynamics (Holdings) Limited
科軒動力（控股）有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 476)

2025
Annual Report

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Corporate Information

DIRECTORS

Executive Directors

Mr. Cheung Ngan *(Chairman and Chief Executive Officer)*
Ms. Chan Hoi Ying
Mr. Sun Jingchun

Independent Non-Executive Directors

Mr. Chan Francis Ping Kuen
Mr. Lee Kwok Leung
Dato' Tan Yee Boon

AUDIT COMMITTEE

Mr. Chan Francis Ping Kuen
Mr. Lee Kwok Leung
Dato' Tan Yee Boon

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Mr. Leung Wai Chun, CPA

COMPANY SECRETARY

Mr. Leung Wai Chun, CPA

PRINCIPAL BANKER

Bank of Communications Co., Ltd
Hang Seng Bank Limited

WEBSITE

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Dear Shareholders,

On behalf of Ev Dynamics (Holdings) Limited (the "Company") and its subsidiaries (the "Group"), I am pleased to present the annual results for the year ended 31 March 2025.

RESULTS

During the year ended 31 March 2025, the Group recorded revenue of approximately HK$3.0 million (2024: HK$42.2 million) derived from the sales of electric vehicles. The gross loss was approximately HK$2.0 million (2024: gross profit of approximately HK$2.7 million). Excluding the depreciation of property, plant and equipment of approximately HK$0.6 million (2024: HK$2.2 million) and the loss on write-down of inventories of approximately HK$2.1 million (2024: HK$6.9 million), the gross profit was approximately HK$0.7 million (2024: HK$11.8 million) and the gross profit ratio was 22.6% (2024: 28.0%). The decrease in revenue for the sales of electric vehicles during the year was resulted from the drop of sales orders from overseas.

The Group recorded a loss of approximately HK$373.9 million for the year as compared to a loss of approximately HK$326.8 million for last year. The increase in loss was mainly due to the net effect of (i) the increase in impairment loss on mining assets in Guangxi to approximately HK$284.8 million (2024: HK$170.6 million); and (ii) reduction in loss on change in fair value and realised loss on disposal of financial assets at fair value through profit or loss ("FVTPL") to approximately HK$21.9 million (2024: HK$72.1 million).

The loss attributable to the owners of the Company was approximately HK$372.0 million (2024: HK$319.3 million). Basic and diluted loss per share for the year was HK$1.93 per share (2024: HK$1.72 per share (restated)).

DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: HK$nil).

PROSPECTS

The Group believes that new energy sectors, the major trend in addressing air pollution and enhancing economic sustainability, are becoming a key focus of global interest. With this in mind, electrifying transport with zero emissions is becoming increasingly widespread worldwide.

With the Group's diversification of business into overseas export markets, it is confident that the electric bus and electric vehicles business will grow at a fast pace, contributing more to the Group's overall revenue and elevating its business to the next level. The Group is well positioned and confident in its ability to further develop the market and can also expand and capture new opportunities as they arise.

The product of the glauberite mine (the "Glauberite Mine") including thenardite, sodium carbonate and ammonium sulfate, all of which are important raw material used in the chemical and light industrial manufacturing industries. The Group believes that the Glauberite Mine is a valuable asset and will continue to regularly assess its resources, financial viability and general condition.

APPRECIATION

On behalf of the Board of directors (the "Board"), I would like to thank the Group's shareholders for their continuing support. I would also like to take this opportunity to express my gratitude to my colleagues on the Board and all of the Group's employees for their dedication and efforts over the past year.

By order of the Board

Cheung Ngan
Chairman

Hong Kong
30 June 2025

BUSINESS REVIEW

Electric buses ("eBus") and electric vehicles ("EV")

The Group, through its subsidiary, Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. ("Suitong"), has a production base in Chongqing engaged in the manufacture of eBus and their entire electric power and control systems, the manufacture of other buses, and the marketing and selling of vehicle components.

Hong Kong and the PRC market

The Group maintains its steadfast commitment to Hong Kong's electric public transport transformation. In Hong Kong, we have successfully commercialized these purpose-built electric transport solutions:

1. *12-meter eBus*

    This 12-meter eBus is specifically designed for seniors and those with disabilities. Its features include an extra-low platform for easy accessibility.

    As of 31 March 2025, a unit order of approximately HK$5.3 million is pending delivery, contingent upon the completion of a new vehicle license application by the customer, a non-governmental organization. This is a new order with the Hong Kong Productivity Council ("HKPC"), following the successful fulfillment of prior eBus orders for the Airport Authority Hong Kong and the Hong Kong Anti-Cancer Society. The Group anticipates recognising the revenue from this contract upon delivery, which is expected by mid-2025.

2. *APEX MINI*

    A full electric 19-seat low-floor minibus ("APEX-MINI") powered by fast-charging batteries with a unique low-floor design had been launched in late 2020, is suitable for both the franchise and non-franchise minibus sectors in Hong Kong.

    In the first quarter of 2024, the Group received a HK$1.6 million order for one APEX MINI unit from a non-governmental organization. However, both parties agreed to terminate the contract to accommodate revised technical specification aligned with evolving field requirements.

    In the second half of 2024, the Group successfully fulfilled a trial order by delivering the first unit of APEX MINI to a local green minibus operator. Revenue of HK$1.9 million was recognised during this reporting period.

3. *Electric Mobile Command Unit*

    In September 2023, the Group was successfully awarded a contract at approximately HK$9 million to supply the first electric mobile command unit (the "EMCU") to the Hong Kong Fire Services Department (the "FSD"). This EMCU features a powerful 350kW electric motor and a substantial 422kWh battery capacity. Additionally, it incorporates a high-capacity uninterruptable power supply system to maintain the wireless communication and electronic dispatch system, and it is supported by a generator and a public power connection device, ensuring uninterrupted system operation under all circumstances. Following recent discussions with the FSD, the delivery of the EMCU is now anticipated to take place in early 2026.

In addition to the orders mentioned above, the Group has been actively pursuing strategic collaborations with key industry players. In early December 2024, the Group and a leading bus manufacturer in the PRC jointly submitted a tender application to a renowned public transportation operator in Hong Kong for the potential supply of up to 300 units of electric and hydrogen-powered single-deck and double-deck buses. The outcome of this tender is expected to be announced in the near term.

In the PRC, we are preparing to participate in a competitive bidding project initiated by a transportation company in Chongqing Wulong District. The project involves the procurement of 30 units of 65-seat buses. This initiative represents a significant opportunity to strengthen our presence in the domestic transport market and establish a valuable reference project for future public transport tenders in the region.

The Group remains committed to exploring and capitalizing on business opportunities within the Hong Kong and the PRC market. We are confident in our ability to effectively market and sell our vehicles, maintaining a competitive edge in this evolving sector.

Southeast Asian market

1. *COMET*

   Over the past few years, the Group has developed COMET, a fully customized, eco-friendly city bus designed for emerging markets such as the Philippine and India. Specifically tailored to replace traditional Jeepneys, COMET represents the most viable solution for the Philippine market.

   In 2021, the Group secured a sizable order for 500+ COMET units from a Philippines-based client (the "Philippines Customer"). As of 31 March 2025, over 60 units have been successfully delivered and are operational. However, the overall delivery schedule of further units has been postponed due to the delay in progress payment from the Philippines Customer because of the current market sentiment and the prevailing high interest rate.

2. *E-Conversion*

   In addition to the Philippines market, the Group actively pursued opportunities across Asia, including Thailand, to promote its new energy product and solutions. With the Thai government actively promoting domestic EV adoption in recent years, the Group sees significant potential in Thailand's "fuel-to-electric" conversion ("e-conversion") market.

   London taxi

   During the period under review, the Group has secured a trial order for one set of e-conversion kit for London taxi from a Thai customer. The first set of e-conversion kit has been successfully delivered to the customer, with installation and preliminary commissioning already completed. The trial unit is now undergoing a 10,000-kilometer road test for validating performance under local conditions. Should the result of validation procedures conclude satisfactorily, the Group anticipates securing a follow-on order for 200 conversion kits valued at approximately HK$21 million. We expect the customer will place further orders after this follow-on order.

   Three-wheeled motorized vehicle

   Subsequent to the reporting period, in April 2025, the Group secured a trial order for two sets of e-conversion kits for three-wheeled motorized vehicles (an iconic form of transportation in Thailand that commonly known as "tuk-tuk") from a Thai customer, accompanied by a conditional commitment for 1,000 additional units upon successful validation. This strategic move aligns with Thailand's National EV Policy Committee target of electrifying 30% of all vehicles (including tuk-tuk) by 2030, representing a substantial market potential that the Group is strategically positioned to capture.

   Both trial kits have been delivered and installed in Thailand, with commissioning and performance debugging currently in progress. Should the on-site testing confirm operational reliability under local conditions, the customer plans to place batched orders totaling 1,000 conversion kits with contract valued at approximately HK$25 million.

Medium-duty truck

Concurrently, in April 2025, the Group secured an order for one set of conversion kit for a medium-duty truck from another Thai customer, with a conditional commitment for purchasing 50 additional sets of conversion kits upon successful validation.

All major components (except for the batteries) for the trial unit were shipped in late June 2025, with on-site installation and system debugging expected to be completed by August 2025. Upon verification of operational performance and application of local license, the customer will place additional 50 sets order valued at approximately HK$19 million. Subject to validation procedures, full delivery of all conversion kits is targeted for completion before December 2025.

The Group has maintained strategic focus on potential growth opportunities in Southeast Asia's emerging electric vehicle markets, particularly in Thailand and Singapore where urban electrification initiatives align with our competencies in commercial EV solutions. While these moves remain in early stage, they demonstrate our commitment to penetrate the new EV market in other regions through cross-border industrial alliances. Management will continue to explore and evaluate additional partnership opportunities across ASEAN.

American and European market

1. *6-meter van chassis*

During the year between 2022 and 2023, the Group has entered into sales contracts with a bakery company in Mexico to deliver an aggregate 1,000 units of van chassis, of which 200 units have already delivered and completed in early 2023. The remaining 800 units have been scheduled to deliver in batches. However, the delivery has been held up and the contract has expired because of certain technical issues raised and modification requested by the customer during the contract period. Despite the Group have been continuing providing advises and solutions to the customer, the Group had not reached an agreement to renew the expired contract.

As disclosed in last interim report, the Group successfully sourced a Mexican distributor for sales of the van chassis and they agreed to purchase the 250 units van chassis in batches upon completion of the homologation for the first trial orders.

The Group initially targeted to resume vehicle deliveries to Mexico in early 2025, including the despatch of two trial units for local homologation process and marketing. However, this timeline has been further postponed due to heightened geopolitical uncertainties following the recent U.S. presidential transition. The new administration's evolving trade policies, particularly potential shifts in cross-border tariffs and regulations, have introduced unprecedented volatility in American markets. Our Mexican clients are therefore exercising caution amid these macroeconomic uncertainties, have temporarily deferred their procurement plans, including the homologation process originally scheduled for early this year. The Group will maintain regular communication with the local distributor to monitor policy developments and negotiate a new delivery timeline in due course.

Business outlook

The global economic landscape continues to face heightened volatility, primarily driven by evolving U.S. trade policies, escalating geopolitical tensions. While these macro-level uncertainties, particularly increasing trade barriers, may constrain near-term growth in global markets. To manage risks, the Group remains committed to diversifying geographically and explore different opportunities.

Nevertheless, the Group has continued exploring solutions and opportunities in different market sectors. We are confident that our new energy business will be the key growing factors in the near future.

Suitong Disposal

On 2 June 2023, the Group has entered into a sale and purchase agreement (the "Disposal Agreement") for selling its entire equity interests in a group of subsidiaries (the "Target Group") to an independent third party (the "Purchaser") at a consideration of RMB34 million (the "Suitong Disposal"). The intended assets to be disposed of are certain intangible assets including the modified bus enterprise status which is embedded with the entity of Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. ("Suitong"), one of the subsidiaries of the Target Group, where all other major assets and liabilities of the Target Group will be retained in the Group prior to the completion through restructuring. The Company will continue to possess the production facilities of Suitong and the qualifications to manufacture and export electric vehicles to overseas customers. There are no material impact on the business operation of the Company during and after the transitional period.

Since the second half of 2023, the Group has completed certain restructuring steps in accordance with the Disposal Agreement. However, the relationship between the Group and the Purchaser deteriorated and the Suitong Disposal still remains incompleted because of a series of disagreements on the execution process such as (i) failure to make progress payments by the Purchaser in accordance with the Disposal Agreement; and (ii) failure to facilitate and cooperate with the transfer of the major assets of Suitong to the Group including land use rights, etc.

On 21 August 2024, the Purchaser initiated arbitration proceedings ("CQ Arbitration") at the Chongqing Arbitration Commission against the Group, claiming the return of the consideration of RMB34 million plus contractual penalty of RMB6.8 million, and additional compensation totaling approximately RMB40 million. Subsequently, on 3 September 2024, the Group has received an enforcement notice from the Third Intermediate People's Court of Chongqing that the equity interests in Chongqing Suitong New Energy Automotive Manufacturing Co. Ltd (重慶穗通新能源汽車製造有限公司), Shenzhen New Energy Technology Company Limited (深圳市中動智慧新能源技術有限公司) and Dongguan Sinocop Electric Vehicles Company Limited (東莞中銅電動汽車有限公司) held by the Group were frozen for three years. In response, the Company has engaged PRC legal counsel to contest the allegations through formal arbitration and judicial review procedures.

Subsequent to the hearings held in CQ Arbitration tribunal in January 2025, on 27 May 2025, the Group received a judgement of the CQ Arbitration dated 16 May 2025 from Chongqing Arbitration Commission (the "Judgement"), pursuant to which it was ruled by the Chongqing Arbitration Commission that (i) the Disposal Agreement shall be terminated effectively on 12 September 2024; (ii) the Group shall return the consideration of RMB34 million of the Suitong Disposal to the Purchaser and pay an amount of approximately RMB5.5 million to the Purchaser as liquidated damages for the breach of the terms under the Disposal Agreement and cost incurred by the Purchaser for the asset preservation application; and (iii) the Purchaser shall pay an amount of RMB760,000 to the Group as liquidated damages for the breach of the terms under the Disposal Agreement. As at the date of this report, the Company has filed an application for the revocation of the Judgement.

Mining and production of mineral products

The Group's wholly-owned subsidiary, Guangxi Weiri Mining Company Limited ("Guangxi Weiri"), owns a the Glauberite Mine located in the Guangxi Zhuang Autonomous Region of the PRC. The product extracted from the Glauberite Mine is thenardite, an important raw material used in chemical and light industrial manufacturing. No exploration, development or production activity related to the Glauberite Mine was conducted during the year ended 31 March 2025. During the year ended 31 March 2025, the Company has engaged SRK Consulting (Hong Kong) Limited ("SRK") to review and provide an updated mineral resources estimates and report in accordance with the JORC Code (2012).

The table below is the Table 1 of the JORC Code (2012) – extracted from the MRE Report.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	■ Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. ■ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. ■ Aspects of the determination of mineralisation that are Material to the Public Report. ■ In cases where "industry standard" work has been done this would be relatively simple (eg "reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay"). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	■ The analytical results used to derive the Mineral Resource estimate for the Taowei Project were collected from three exploration periods: 1990–93, 2004–05 and 2009–11 exploration campaigns. ■ In the 1990–93 and 2004–05 exploration periods: 38 drill holes were completed. The drilling rigs and core size employed during this period were not specified. Sample intervals were generally 1.5 m. Trench samples collected from trenches floor were all continuous channel intervals of consistent width, depth and length of approximately 10 cm × 5 cm × 1.5 m, channelled either by chisels or saws. ■ In the 2009–11 exploration campaign: four twinned holes and five new holes were drilled. HQ wireline core (75 mm) was used to penetrate the weathering zone, while NQ wireline (60 mm) was used for the remainder of the drill runs. All holes were vertical and surveyed using the gyroscopic method. The drilling rigs employed during this period were not specified. Diamond core samples were collected by cutting in half and were considered representative. Sample intervals were generally 2 m or shorter.
Drilling techniques	■ Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	■ In the 1990–2005 exploration period, drilling was conducted by diamond drilling rigs. All drill holes were vertical. The core and pulp samples collected were not preserved. ■ In the 2009–11 exploration period, drilling was conducted by HQ and NQ diamond core. All holes were vertical. All core samples were systematically logged and stored.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	■ Method of recording and assessing core and chip sample recoveries and results assessed. ■ Measures taken to maximise sample recovery and ensure representative nature of the samples. ■ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material	■ Between 1990 and 2005, core recovery was not reported for the 1990–93 drilling campaign. However, for the 2004–05 drilling program, core recovery was generally reported to exceed 80%. ■ In the 2009–11 period, the core recovery rate was greater than 95%. ■ No significant correlation between core recovery and grade was evident.
Logging	■ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. ■ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. ■ The total length and percentage of the relevant intersections logged.	■ For the 1990–2005 and 2009–11 exploration, drill hole cores were logged by onsite geologists, with detailed documentation covering lithology, mineral composition, texture, alteration minerals, and rock quality designation (RQD) prepared.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	■ If core, whether cut or sawn and whether quarter, half or all core taken. ■ If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. ■ For all sample types, the nature, quality and appropriateness of the sample preparation technique. ■ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. ■ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. ■ Whether sample sizes are appropriate to the grain size of the material being sampled.	In the 1990–2005 exploration program: ■ Diamond core samples were separated lengthwise into two halves by an impact rock splitter, and were considered representative. ■ The 1990–2005 samples were analysed by the 12th Laboratory of the China Chemical Geology and Mining Bureau. In the 2009–11 exploration program: ■ Diamond core samples were separated lengthwise into two halves using a dry handheld core saw, wise, and were considered representative. ■ The 2009–11 samples were analysed by the Chengdu Resources Laboratory. Na_2SO_4, $MgSO_4$, NaCl, K^+, Na^+, Ca^{2+}, Mg^{2+}, Cl^-, SO_4^{2-}, $HCO_3^-CO_3^{2-}$, KCl, absorption water and total water were analysed. ■ Sample preparation at the various laboratories adhered to the prevailing Chinese standard protocols. ■ Initially, the samples were crushed using a jaw crusher and then dried at 45°C. The samples were subsequently subjected to secondary crushing with a double-roll crusher, ensuring all particles pass through a 0.83 mm (20 mesh) sieve. Following this, the particles were thoroughly mixed and homogenised before being split. During splitting, the minimum reliable sample weight was determined using the Qeqott formula: Q = Kd2, where the splitting coefficient is set to 0.2. Typically, the retained sample weight was not less than 145 g. After splitting, a sub-sample was dried again at 45° C and further processed using a sealed pulveriser until all particles pass through a 0.125 mm (120 mesh) sieve. The finely ground sample was homogenised, and half of the sample was taken using the quartering method for testing.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	■ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. ■ For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. ■ Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	In the 1990–2005 exploration programs: ■ Samples were analysed by the 12th Laboratory of the China Chemical Geology and Mining Bureau. A total of 59 samples were internally crosschecked by assaying at the 12th Laboratory of Guangxi Geologic Survey Institute of China Chemical Geology and Mine Bureau. The reported results indicated a high correlation of grade at 98%. External check samples (32) were undertaken by the Hunan Institute of Analysing and Utilization for Mineral Resource, and the Central Laboratory of China Chemical Geology and Mine Bureau. A "good correlation" of grade was reported (Li et al., 2006). ■ It should be noted that the assay technique used for sample analysis is not reported, and SRK did not have access to the core rejects and the laboratories that undertook the analyses. However, validation drilling has confirmed the historical drilling results. In the 2009–11 exploration programs: ■ All samples were analysed by the laboratory of the Zhongnan University. ■ 24 samples from hole TD4 were selected for inter-laboratory checking for quality control. These samples were assayed at Chengdu Resources Laboratory. With the exception of a few outliers, assay results from the two different laboratories show reasonable correlation for Na_2SO_4 with an R value of 0.89. ■ Duplicate or repeat samples were also taken from 10 drill holes (Table 4.1), and with the exception of two outliers, show good correlation for Na_2SO_4 with an R value of 0.97. ■ SRK considers the QA/QC results to be satisfactory, with no material bias evident.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	■ The verification of significant intersections by either independent or alternative company personnel. ■ The use of twinned holes. ■ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. ■ Discuss any adjustment to assay data.	■ For the 1990–2005 period, no core or pulp sample were retained. For verification of the results from these campaigns, SRK relied on information from the 2011 twinned hole drilling program. ■ For the 2009–11 period, 32 samples from hole TD4 were collected and sent to Chengdu Resources Laboratory for validation. Results from these duplicates showed a good correlation.
Location of data points	■ Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. ■ Specification of the grid system used. ■ Quality and adequacy of topographic control.	■ Unless otherwise specified, all coordinates in this report were in Beijing 1954/3-degree Gauss-Kruger zone 36 datum. Topographic control was considered adequate. In the 1990–93 exploration period: ■ All drill holes and channel samples were surveyed using traditional optical surveying instruments or a total station. ■ Downhole surveys to measure dip and azimuth were conducted at 50 m intervals. The type of inclinometer was not specified. In the 2004–05 exploration period: ■ All drill holes and channel samples were surveyed using a Nikon DTM-352C Total Station. ■ Downhole surveys to measure dip and azimuth were conducted at 50 m intervals for shallow drill holes (<300 m) and at 100 m intervals for deep drill holes (>300 m). The type of inclinometer was not specified. In 2009–11 exploration: ■ Collar positions were established using real-time kinematic (RTK) technology. ■ Downhole surveys to measure dip and azimuth were conducted at 50 m intervals for shallow drill holes (<300 m) and at 100 m intervals for deep drill holes (>300 m). The type of inclinometer was not specified.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	■ Data spacing for reporting of Exploration Results. ■ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. ■ Whether sample compositing has been applied.	■ In the 1990–2005 exploration period, drill spacing was approximately 1,000 m × 500–1,000 m. ■ In the 2009–11 exploration period, the infill drilling program decreased the drill spacing to approximately 1,000 m × 500 m in the central area. ■ The twinned drill holes completed in 2011 did not significantly affect the sampling spacing. ■ The combined spacing of the 1990–2011 programs is deemed adequate for estimation of the Mineral Resource.
Orientation of data in relation to geological structure	■ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. ■ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	■ Drill core was not oriented. Orientation of core was deemed unnecessary on account of the low angle of orientation. ■ Drilling is at a sufficiently high angle to the mineralised structures to minimise the risk of such bias. ■ Core structural measurements were not performed. ■ The fault patterns have been established from surface mapping observations.
Sample security	■ The measures taken to ensure sample security.	■ None of the 1990–2005 historical exploration samples were preserved. ■ The halved drill cores from the 2009–11 exploration period were preserved.
Audits or reviews	■ The results of any audits or reviews of sampling techniques and data.	■ SRK undertook an audit of the assays, including standards, blanks and QA/QC of laboratory reporting. ■ No other audits of sampling techniques and data have been undertaken.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	■ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. ■ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	■ The current mining licence (C4500002011076210115236) is valid until 8 July 2041. The mining licence covers an area of 8.573 km^2 and allows exploitation between 39 m and-530 m asl. The permitted production capacity is 4.3 Mtpa. ■ The project has not been developed to date. There are no known impediments to operating in the area at the time of reporting.
Exploration done by other parties	■ Acknowledgment and appraisal of exploration by other parties.	■ All resource exploration from 1990 to 2011 was carried out by the Guangxi Geological Exploration Team of the Ministry of Chemical Industry.
Geology	■ Deposit type, geological setting and style of mineralisation.	■ The local geological setting for the Taowei Project is dominated by units of the Xinlong Formation; the Upper and Lower members of the Xinlong Formation were divided based on composition and stratigraphic position. ■ The glauberite-bearing unit (K1x1d), at the bottom of Lower Member of the Xinlong Formation, is claret to grey in colour and contains up to two layers of glauberite mineralisation of varying thickness (see cross section in Figure 3.2). Glauberite occurs as an aplitic phase in both thickly banded and thinly bedded units. Mineralogically, K1x1d mainly consists of glauberite, anhydrite and sericite, overprinted by secondary quartz material (silicification and veining). ■ The geological structure of this area includes folds and faults. The Taowei Basin represents a gentle synclinal fold, that is generally basinal in shape, inclining to the centre of the deposit area from all sides. Dips on the limbs of the syncline range from several degrees to 20°. ■ There are currently two discrete zones of glauberite mineralisation defined in the Project area. The zones are stratabound and broadly follow the northwest-trending synclinal morphology of the hosting basin mineralised zones.

Criteria	JORC Code explanation	Commentary
Drill hole information	■ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: – easting and northing of the drill hole collar – elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar – dip and azimuth of the hole – down hole length and interception depth – hole length. ■ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	■ All 29 drill holes were drilled vertically from surface. Drill hole depths range from 50 m to 603.44 m. ■ All intervals were used in the interpretation of mineralised domains, variogram modelling, and grade estimation.
Data aggregation methods	■ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ■ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ■ The assumptions used for any reporting of metal equivalent values should be clearly stated.	■ A nominal threshold of Na_2SO_4 ≥10% was applied to define the extension of mineralised domains. ■ No capping was applied to Na_2SO_4.
Relationship between mineralisation widths and intercept lengths	■ These relationships are particularly important in the reporting of Exploration Results. ■ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ■ If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg "down hole length, true width not known").	■ The sub-horizontal mineralised domains have a tabular shape, with gentle dips ranging from approximately 3° to 20°. Consequently, the intersections from drill holes approximately correspond to the true widths of the mineralisation.

Criteria	JORC Code explanation	Commentary
Diagrams	■ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	■ Appropriate maps and sections were viewed and are presented in this report.
Balanced reporting	■ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	■ Details of drill holes are presented in the Mineral Resource estimate Report.
Other substantive exploration data	■ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	■ Metallurgical tests have been carried out and reported in *A Feasibility Study on producing device for glauberite's outputting 0.5 Mt of* Na_2SO_4 *annually in Taowei, Heng County* completed by the Institute of Changsha Design and Research of Chemical Ministry in August 2011.
Further work	■ The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). ■ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	■ No further exploration programs of infill or extension drilling are planned.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	■ Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. ■ Data validation procedures used.	■ SRK conducted spot checks of the database against historical exploration program tables and maps, as well as the 2011 program assay certificates, and found no flaws in the data. ■ During the process of uploading the database into Leapfrog software, various checks for internal inconsistencies (such as overlapping intervals and missing collars) are automatically performed. Visual checks of the different generations and types of sampling data against each other also ensure database integrity.
Site visits	■ Comment on any site visits undertaken by the Competent Person and the outcome of those visits. ■ If no site visits have been undertaken indicate why this is the case.	■ Site visits were undertaken by Dr. Gavin Chan on 11 March 2025.
Geological interpretation	■ Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. ■ Nature of the data used and of any assumptions made. ■ The effect, if any, of alternative interpretations on Mineral Resource estimation. ■ The use of geology in guiding and controlling Mineral Resource estimation. ■ The factors affecting continuity both of grade and geology.	■ A total of 29 drill holes were completed, resulting in the collection of 4,891 samples. This dataset provides for good definition of the dimensions for resource estimation. ■ SRK has adequate confidence in the geological interpretation. The overall interpretation of the continuity, extent, and orientation of the mineralised domains was based on the various phases of exploration. ■ For the interpolation of attributes into the Mineral Resource block model, the anisotropies of the variogram models and search neighbourhoods were aligned to follow the approximately flat-lying geology.
Dimensions	■ The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	■ The dimensions of the mineralised domains are presented in the Mineral Resource estimate Report.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	■ The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. ■ The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. ■ The assumptions made regarding recovery of by-products. ■ Estimation of deleterious elements or other non-grade variables of economic significance (eg sulfur for acid mine drainage characterisation). ■ In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. ■ Any assumptions behind modelling of selective mining units. ■ Any assumptions about correlation between variables. ■ Description of how the geological interpretation was used to control the resource estimates. ■ Discussion of basis for using or not using grade cutting or capping. ■ The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	■ Between 1990 and 2005, the Guangxi Geological Exploration Team of the Ministry of Chemical Industry completed two exploration programs and a resource estimation. However, this estimate was not prepared under the reporting standards and definitions of the JORC Code. ■ SRK's 3D block modelling and estimation was undertaken in 2013 using Leapfrog software and in 2025 using Leapfrog Edge software (version 2024.1). ■ The estimation domains were built using Na_2SO_4 intervals in Leapfrog Edge software. A nominal cut-off of Na_2SO_4 ≥10% was applied to define the mineralised domains. ■ A 3D block grade estimation approach was applied for the Mineral Resource estimation. ■ No capping was applied to Na_2SO_4. ■ The samples within domains were composited at intervals of 10 m. ■ The block models for all domains with dimensions of 200 m × 400 m × 40 m (east × north × elevation); sub-blocking with dimensions of 20 m × 20 m × 2 m (east × north × elevation) was employed, and no rotation has been allowed. ■ Block grade values were interpolated using OK. ■ SRK conducted visual validation of the longitudinal views and cross section view of the drill holes or channel grades and block model grades, and these visual checks demonstrated good correlation between the local block estimations and nearby samples, without excessive smoothing in the block model.
Moisture	■ Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	■ Tonnages are estimated on a dry basis.
Cut-off parameters	■ The basis of the adopted cut-off grade(s) or quality parameters applied.	■ A domain modelling threshold of Na_2SO_4 ≥10% was applied to define the mineralised domains. This threshold is suggested by the Chinese standard and has been applied on site for three decades.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	■ Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	■ The mine will apply a solution mining technique based on "rooms" – this involves a combination of the room-and-pillar mining method with solution recovery of the soluble ore within the designed 130 m long × 60 m wide × 30 m high stopes. ■ Water at 30°C is to be injected into the stope through the waterproof barricade on the upper level. Once the sulfate solution reaches a concentration of 220 g/L, it is then pumped from the bottom of the stope into the glauberite reticulation system. The stope is then charged with fresh water and the process is repeated. When the concentration does not reach 220 g/L, the solution is pumped into the next stope. ■ The company proposes an increased production rate for Phases II and III (i.e. 1,500 ktpa of Na_2SO_4 for Phase II, and 3,000 ktpa of Na_2SO_4 for Phase III. This means increasing the mining rate from 4 Mtpa in Phase I, to 12 Mtpa and 24 Mtpa for Phase II and Phase III, respectively.
Metallurgical factors or assumptions	■ The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	■ An in situ leach generates a process solution containing calcium and magnesium as well as sodium sulfate. The surface process plant is required to purify the solution and produce 500,000 tpa of Na_2SO_4 product. ■ The designed producing parameters are: – 351 tph feed solution; – 18.61% Na_2SO_4 in feed solution – 97.9% processing recovery.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	■ Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	■ No environmental factors or assumptions have been applied to the present Mineral Resources.
Bulk density	■ Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. ■ The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. ■ Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	■ The Taowei Glauberite Deposit Resource tonnage was estimated using a relative density of 2.69 g/cm^3 based on 61 samples from historical drilling.
Classification	■ The basis for the classification of the Mineral Resources into varying confidence categories. ■ Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). ■ Whether the result appropriately reflects the Competent Person's view of the deposit.	■ SRK considered the following factors in the Mineral Resource classification: – geological continuity and reliability of interpretation – sample support and exploration workings density – OK attributes (kriging variance, slope of regression, and kriging efficiency). ■ Measured Mineral Resource: no portion of the Measured Resource was allocated to any blocks. ■ Indicated Mineral Resource is classified in the dimension area defined by sampling spacing within 1,000 m. ■ Inferred Mineral Resource is classified in areas defined only by sampling spacing more than 1,000 m, and areas that have reliable data for both ore zone thickness and ore zone quality.

Criteria	JORC Code explanation	Commentary
Audits or reviews	■ The results of any audits or reviews of Mineral Resource estimates.	■ No external audits or reviews of the Mineral Resource estimate have taken place. ■ SRK carried out internal peer review on the Mineral Resource estimate.
Discussion of relative accuracy/ confidence	■ Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. ■ The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. ■ These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	■ The relative accuracy of the Mineral Resource estimate is reflected in the Mineral Resource classification categories applied. ■ The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade.

Mineral resource information

The below table sets out the mineral resource information of the Guangxi Glauberite Mine as of 31 March 2025 in accordance with the JORC Code (2012):

Domain	Classification	Tonnage (Mt)	Na_2SO_4 Grade (%)	Na_2SO_4 Material (Mt)
Orebody 1	Indicated	983	17.66	174
	Inferred	87	16.98	15
	Subtotal	1,070	17.60	188
Orebody 2	Indicated	57	12.45	7
	Inferred	80	15.88	13
	Subtotal	137	14.44	20
Total	**Indicated**	**1,041**	**17.37**	**181**
	Inferred	**167**	**16.45**	**27**
	Total	**1,207**	**17.25**	**208**

(1) Any differences between totals and sum of components are due to rounding.

(2) The effective date of the mineral resource is 31 March 2025. All tonnages are rounded to the nearest million tonnes to reflect the inherent level of confidence associated with the resources estimation. The mineral resource was estimated within constraining wireframe solids based on geological limits of the mineralized and internal waste units. Nominal cut off for defining the geological unit is 10% Na2SO4. No cut-off has been applied to the resource block model of the project. The mineral resource estimate is in accordance with the JORC Code 2012 with an effective date of 31 March 2025.

(3) Competent person statement:

The information in this section that relates to mineral resources is based on work done by Dr. (Tony) Shuangli Tang and Dr. (Gavin) Heung Ngai Chan. Dr. Tony Tang and Dr. Gavin Chan are Member and Fellow of Australian Institute of Geoscientists (AIG), respectively, and full-time consultants employed by SRK. Dr. Tony Tang and Dr. Gavin Chan have sufficient experience, which is relevant to the style of mineralisation, the type of deposits under consideration, the mineral resource estimation under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Dr. Tony Tang and Dr. Gavin Chan consent to the inclusion in this section the matters based on their information in the form and context in which it appears.

This information was prepared and first disclosed under the JORC Code 2004. The resource estimation is an update in compliance with the JORC Code 2012. The latest estimate updated during the this year, compared to the previous one, indicates a slight reduction in tonnes while maintaining similar grades. This difference is primarily due to the exclusion of material located near the fault zone. Additionally, no cut-off grade was applied in the reporting of the resource, resulting in the inclusion of all material within the orebody wireframe in the estimate.

The Competent Person's Consent Forms from Dr. Tony Tang and Dr. Gavin Chan were obtained by the Company on 25 June 2025.

Fair value assessment

The Group has closely monitored the Glauberite Mine development and has periodically assessed its resources, financial viability, and general condition. The management has conducted regular financial analysis, taking into account its resources, technical parameters and market situation, so as to assess the mining assets' overall situation. The Group has engaged the services of a qualified independent valuer (the "Valuer") to assess its fair value annually. The independent valuer adopted the Multi Period Excess Earnings Method to estimate the fair value of the mining assets.

The Multi Period Excess Earnings Method was consistently adopted in the valuation of the mining assets for its impairment assessment since the acquisition of the mining assets by the Group. The valuation in the current year is based on a financial budget covering a 16-year period from 2026 to 2041 and then discounted to its present value by the discount rate. The Group has assessed the key assumptions used for the calculation of the discounted cash flows, including the prevailing market condition of thenardite products, the exploitation volume of the resources and the discount rate adopted. There were no significant changes in the assumptions and basis of value of the inputs used under the Multi Period Excess Earnings Method from those previously adopted for the valuation of the mining assets for the years ended 31 March 2025 and 2024.

The summary of value of inputs under the Multi Period Excess Earnings Method for the valuation of the mining assets for the years ended 31 March 2025 and 2024 as disclosed in Note 19 to the consolidated financial statements is as follows:

#	**Key assumptions**	**FY2025**	FY2024
1	Thenardite price per ton	**RMB681**	RMB752
2	Required rate of return for working capital	**3.68%**	3.68%
3	Required rate of return for fixed assets	**11.92%**	12.55%
4	Required rate of return for assembled workforce	**17.58%**	18.41%
5	Post-tax discount rate	**23.08%**	23.91%
6	Income growth rate within the projected period	**2.34%**	2.54%
7	Cost growth rate within the projected period	**1.21%**	1.38%

The summary of the basis of value of the inputs used under the Multi Period Excess Earnings Method, which was consistently applied by the Valuer in previous years, is set out as follows:

Key assumptions	**Basis of assumptions**
1. Thenardite price per ton	Relevant data obtained from third party's quotations pertaining to the mining assets in Guangxi and market research report performed by third party organization.
2. Required rate of return for working capital	(i) Prime rate as quoted by the People's Bank of China; and (ii) Statutory corporate income tax rate of the PRC.
3. Required rate of return for fixed assets	(i) PRC's long-term borrowing rate; (ii) Statutory corporate income tax rate of the PRC; and (iii) the cost of equity.
4. Required rate of return for assembled workforce	Being the weighted average cost of capital.

Key assumptions		Basis of assumptions
5.	Post-tax discount rate	Being the weighted average cost of capital with a premium to reflect the higher risk nature of the mining assets as intangible assets.
6.	Income growth rate within the projected period	Expected inflation rate based on the geometric average of the China Producer Price Index-Non-Metals Minerals Mining and Dressing year-over-year from 2011 to 2025.
7.	Cost growth rate within the projected period	The geometric average of the China Producer Price Index year-over-year from 2002 to 2025.

As illustrated above, the changes in value of inputs adopted under the Multi Period Excess Earnings Method for the valuation of the mining assets for the years ended 31 March 2025 and 2024 are set out as follows:

1. *Thenardite price per ton*

   The thenardite price per ton adopted in the valuation decreased from RMB752 per ton for the year ended 31 March 2024 to RMB681 per ton for the year ended 31 March 2025 as a result of the dropped in average price in the quotations from third parties in the industry. The products include thenardite (i.e. sodium sulfate), sodium carbonate and ammonium sulfate.

2. *Required rate of return for working capital*

   There is no change in the required rate of return for working capital which maintained at 3.68% for the years ended 31 March 2025 and 2024.

3. *Required rate of return for fixed assets*

   The required rate of return for fixed assets was 11.92% for the year ended 31 March 2025 (2024: 12.55%).

4/5. *Required rate of return for assembled workforce/Post-tax discount rate*

   The required rate of return for assembled workforce dropped to 17.58% (2024: 18.41%) and the post-tax discount rate dropped to 23.08% (2024: 23.91%) for the year ended 31 March 2025. The reason for both declines was mainly attributable to the lower risk free rate.

6. *Income growth rate within the projected period*

   The income growth rate within the projected period dropped to 2.34% for the year ended 31 March 2025 (2024: 2.54%), being the geometric average of the "China Producer Price Index – Non-Metals Minerals Mining and Dressing".

7. *Cost growth rate within the projected period*

   The cost growth rate within the projected period decreased as the geometric average of the "China Producer Price Index" decreased from 1.38% for the year ended 31 March 2024 to 1.21% for the year ended 31 March 2025.

The movement of the mining assets of the Group for the year ended 31 March 2025 as disclosed in Note 19 to the consolidated financial statements is extracted as follows:

	HK$'000
As at 1 April 2024	1,139,000
Impairment loss	(284,752)
Exchange realignment	(9,248)
As at 31 March 2025	**845,000**

The fair value of the mining assets decreased from approximately HK$1,139.0 million (equivalent RMB1,051.2 million) as at 1 April 2024 to approximately HK$845.0 million (equivalent RMB787.8 million) as at 31 March 2025, which was mainly attributable to the present value of the estimated excess income decreased as a result of the dropped in thenardite price by approximately 9.44% from last year.

The impairment loss of approximately HK$284.8 million (2024: HK$170.6 million) is a non-cash item and will not affect the cash flow of the Group. The Group will continue to assess any opportunities and means to minimize risks and to maximize shareholders benefits as a whole. Given the Glauberite Mine's distinct advantage in terms of its immense resources, strategic location and market potential, the Group remains highly confident that it is a unique and valuable asset.

Update of development of the Glauberite Mine

As stated in the previous annual report and the supplemental announcement dated 14 August 2024, the Company is considering the possibility of implementing the Revised Mining Plan, which utilises the latest modern technology to allow the extraction of the minerals in the Glauberite Mine in a more efficient manner as compared to the original mining plan.

In January 2024, China Tianchen Engineering Corporation ("TCC") has issued the feasibility studies report on the Revised Mining Plan (the "Feasibility Report"), which is intended for an annual production of 100,000 tons of baking soda and 80,000 tons of ammonium sulfate. Based on the opinion of TCC, the Revised Mining Plan which utilises (i) the Guangxi Land, the infrastructure and resources of Guangxi Weiri; and (ii) latest mining technology and extraction solutions provided by the Institute of Process Engineering of Chinese Academy of Sciences ("CAS"), is more economically efficient than the original mining plan. It is expected that, upon the implementation of the Revised Mining Plan, the Glauberite Mine generate positive revenue and net profit annually. Based on the preliminary estimation conducted by TCC, an initial investment and working capital of around RMB350 million is required for the construction of the above infrastructure and the operation of the Revised Mining Plan. It is expected to take around 18 to 24 months to complete the construction work upon commencement of the project.

The Company had been negotiating with a number of potential investors for fundraising opportunities for financing the implementation of the Revised Mining Plan. The Company also considered to collaborate with other mining companies in the PRC, including state-owned mining companies, to jointly develop the Glauberite Mine and implement the Revised Mining Plan. However, given the recent investment sentiment and macroeconomic environment, no fundraising and collaboration opportunities have yet to materialise in this regard.

The implementation of the Revised Mining Plan is subject to, among other things (i) the fundings required for the implementation of the Revised Mining Plan; and (ii) the board approval of the Company after considering factors such as the cashflow of the Company and valuation report of the Glauberite Mine to be further conducted based on the Revised Mining Plan.

Status of the Guangxi Land and the Administrative Litigation

Guangxi Weiri has purchased a land use right covering 63,118 square meters of land at a cost of RMB7.6 million (the "Guangxi Land"). Another RMB8.6 million has been paid for approximately 100,000 square meters of land for a factory site, however, relevant land use rights have not yet been issued. No further payment has been made to the government on the land use right thus far since the land use rights of the second parcel of land as stated above are still pending approval. An accumulated expenditure of approximately RMB18.5 million was incurred for the construction of an access road to the factory site.

On 14 November 2022, the Board came into attention that, on 20 January 2022, Hengxian Natural Resources Bureau ("Resources Bureau") has purported issued a notice (the "Notice") for the revocation of the land use right of the Guangxi Land (the "Revocation"). Pursuant to the Notice, it was stated that, among other things, as the Guangxi Land remained idle since the end of 2018, the Resources Bureau has decided to revoke the land use rights of the Guangxi Land. The details of the Notice are disclosed in the announcement published by the Company on 19 December 2022. On 18 September 2023, the Group has received a further revocation notice from the Resources Bureau and confirmed the revocation decision on the land use right of the Guangxi Land. Hence, the related right-of-use asset has been fully depreciated in relation to the revocation during the year ended 31 March 2024. In June 2024, the Group had initiated an administrative litigation (the "Administrative Litigation") against the Resources Bureau to contest the validity of the Revocation. The court hearing was held on 26 July 2024 and the court ruled that the administrative act (including the annulment of the land use right of Guangxi Land) performed by the Resources Bureau was unlawful.

Refining the shareholding structure of Guangxi Weiri

As disclosed in the supplemental announcement dated 14 August 2024, the Group commenced litigation against Mr. Zhou Bo in the PRC in February 2024 for failing to transfer 1% registered shares in Guangxi Weiri as instructed pursuant to the deed of assignment dated 20 July 2011 (the "Deed"). The initial hearing was held on 20 May 2024, with a second hearing pending administrative steps, which is expected to be completed by July 2025.

Litigation against Guangxi Weiri

On 9 December 2022, the Guangxi Contractor has commenced an arbitration against Guangxi Weiri (the "Arbitration"). The Contractor applied to the People's Court of Qingxiu District Nanning Municipality (the "Qingxiu Court") requesting Guangxi Weiri for the payment of the contract sum and respective interest in the aggregate amount of approximately RMB2.5 million in relation to a construction and exploration contract entered into by Guangxi Weiri and the Guangxi Contractor in December 2014. On 13 April 2023, the first hearing was held by the Qingxiu Court in relation to the Arbitration. On 25 May 2023, the Guangxi Contractor applied to the Qingxiu Court for the judicial preservation of assets of Guangxi Weiri in the amount of approximately RMB2.5 million.

Pursuant to a notice from the Qingxiu Court (the "Notice") dated 12 June 2023, which was received by the management of the Company on 5 July 2023, the mining rights of the Glauberite Mine held by Guangxi Weiri (the "Mining Rights") was frozen for judicial preservation (the "Preservation") in relation to the Arbitration for a period of three years from 26 May 2023 to 26 May 2026. On 30 June 2023, the Group received the decision from the Qingxiu Court that ordered Guangxi Weiri to pay the Guangxi Contractor RMB0.9 million plus interest. The Company has consulted its legal adviser and understands that (i) the Preservation only prohibits the change of legal title of the Mining Rights by Guangxi Weiri, but does not affect the rights entitled by Guangxi Weiri under the Mining Rights, including the business operations and exploration or exploitation activities of the Glauberite Mine; and (ii) the Preservation of the Mining Rights will be lifted immediately in the event the Company settles the RMB0.9 million plus interest in accordance with the decision of the Qingxiu Court for the Arbitration. As such, the Company considers there are no legal obstacle in relation to the development of the Glauberite Mine with the Mining Rights. As at 31 March 2025, an estimated amounted of approximately RMB1,559,000 has been provided and included in "other payables and accruals".

Litigation against Wise Goal

On 3 August 2021, the Group was notified by the Intermediate People's Court of Nanning Municipality (the "Nanning Court") of a lawsuit filed by Mr. Zhou Bo (the "Plaintiff") on 27 July 2021. The Plaintiff sought (i) payment of RMB21.7 million in unpaid share capital by Wise Goal Enterprises Limited ("Wise Goal") to Guangxi Weiri; (ii) judicial preservation of Guangxi Weiri's equity interest (the "Property Preservation"). The Board is of the view that the action is frivolous, as it contradicted the shareholders' agreed capital contribution arrangement for Guangxi Weiri. Consequently, no impairment of the Group's investment in Wise Goal was recognised. The Group engaged PRC legal counsel to defend its interests, with court hearings held in October and November 2021.

On 13 January 2023, the Group received the decision from the Nanning Court, ordering Wise Goal to complete the non-paid up share capital of RMB21.7 million and to reimburse Mr. Zhou Bo RMB1.5 million (the "Decision"). Wise Goal appealed the decision on 3 February 2023, however the Higher People's Court of Guangxi upheld the ruling on 27 June 2023.

In October 2023, an application of re-examination has been submitted to The Supreme People's Court of the PRC. This case was consolidated with ongoing litigation against Mr. Zhou Bo (see section "Refining the Shareholding Structure of Guangxi Weiri" above). The first hearing occurred on 20 May 2024; a second hearing is pending administrative procedures (expected by July 2025). In September 2024, regarding the unsettled RMB1.5 million claim, the court has issued a notice to auction the 25.13% equity interest of Guangxi Weiri, which was subsequently opposed by Wise Goal. The Group remains confident that a favorable judgment in the upcoming hearing could overturn the reimbursement order.

The Board will closely monitor the cases as mentioned above and evaluate its impact to the Group.

Metals and minerals trading

The metals and minerals trading industry has remained weak and the profit margin of such business is low, the Group did not conclude any trading contract on metal ores during the year to avoid any possible risk. The Group continues to identify and pursue other types of resources for the trading business and believes that it will be able to seize such opportunities as they arise.

FINANCIAL REVIEW

Revenue

The Group generated revenues from the sales of electric vehicles amounted to approximately HK$3.0 million (2024: HK$42.2 million) for the year, decreased by 92.9% over last year. The geographical areas in which the customers are located is as follows:

	2025		2024	
	HK$'000	**%**	HK$'000	%
Mexico	**–**	**–**	42,239	100.0
Hong Kong	**2,618**	**86.9**	–	–
Philippines	**276**	**9.2**	–	–
Thailand	**118**	**3.9**	–	–
Total	**3,012**	**100.0**	42,239	100.0

Gross profit/(loss)

Cost of sales primarily includes direct parts, materials, processing fee, labor cost and manufacturing overhead, including depreciation of assets associated with production and write-down of inventories.

During the year, an approximately HK$2.1 million (2024: HK$6.9 million) write-down of inventories and approximately HK$0.6 million (2024: HK$2.2 million) depreciation of property, plant and equipment are recognised as cost of sales. The write-down was attributable to the dead stocks including the unsold traditional bus and other aging raw materials. Excluding the write-down of inventories and depreciation of property, plant and equipment, the gross profit of the Group was approximately HK$0.7 million (2024: HK$11.8 million) and the gross profit margin decreased to 22.6% (2024: 28.0%) in the current year.

Administrative and other operating expenses

Administrative expenses amounted to approximately HK$39.9 million (2024: HK$60.5 million) for the year, decreased by 34.0% as compared to last year. Administrative expenses mainly consist of (i) employee compensation, including salaries and other benefits; (ii) legal and professional fees; and (iii) amortisation and depreciation expenses. Details of the items are set out in Note 11 to the consolidated financial statements.

Impairment of mining assets

In accordance with an independent valuation report on the Glauberite Mine, the fair value of the Glauberite Mine as at 31 March 2025 is RMB787.8 million, which is lower than its carrying value of RMB1,051.2 million and hence the impairment loss on the mining assets of RMB263.4 million, equivalent to HK$284.8 million (2024: HK$170.6 million) was made in the current year. The decrease in fair value of the mining assets was due to the dropped in thernadite price from RMB752 per ton to RMB681 per ton. Details of the items are set out in Notes 19 to the Consolidated Financial Statement.

Change in fair value and realised loss on disposal of financial assets at FVTPL

During the year ended 31 March 2025, the amounts represented (i) an amount of approximately HK$10.3 million (2024: HK$36.8 million) recognised as change in fair value on the equity interests in Quantron AG ("Quantron"); and (ii) a realised loss of approximately HK$11.6 million (2024: HK$35.3 million) recognised on the disposal of equity interests in Quantron. Details of the items are set out in Notes 22 and 43 to the consolidated financial statements.

Finance costs

Finance costs consist of interests on lease liabilities, convertible notes, bank loan and other borrowing.

Other income

Other income primarily consists of government grants, sundry income, exchange gain, net and interest income. The other income amounted to approximately HK$1.5 million (2024: HK$2.0 million) for the year.

LIQUIDITY AND FINANCIAL RESOURCES

The directors have considered various ways of raising funds. During the year ended 31 March 2025, the Group (i) conducted a rights issue on the basis of three rights shares for every two existing shares (the "Rights Issue"); and (ii) issued convertible notes (the "2024 Convertible Notes") in a principal amount of HK$5 million. These fund raising activities serve as significant financial support for enhancing liquidity and future development.

As at 31 March 2025, the net asset value of the Group amounted to approximately HK$847.9 million (2024: HK$1,216.3 million). The gearing ratio of the Group was 2.14% (2024: 2.33%) and the equity attributable to owners of the Company was approximately HK$872.6 million (2024: HK$1,246.2 million).

The operating cash flows of the Group are mainly denominated in Hong Kong dollars, Renminbi, US dollars and Euro. Certain bank deposits, receivables and payables of the Group are denominated in Renminbi, US dollars and Euro. As at 31 March 2025, the Group had unrestricted cash and bank balances of approximately HK$8.4 million (2024: HK$13.9 million), of which 12.2% (2024: 6.9%) was denominated in HK dollars and 86.5% (2024: 80.3%) was denominated in Renminbi.

During the reporting period, the exchange rate of the Renminbi depreciated by approximately 1.1% against the Hong Kong dollar. This had a negative impact on the Group's results upon translation of the Group's assets that are denominated in Renminbi. The Group has not entered into any foreign currency exchange forward contracts for hedging purposes for Renminbi during the year. Foreign exchange exposure in respect of US dollars is considered to be minimal as the exchange rate between Hong Kong dollars and US dollars is pegged. Foreign exchange exposure in respect of the Euro is also considered to be minimal in the current year. The Group will closely monitor its currency exposure and, when it considers appropriate, will take the necessary actions to ensure that such exposure is properly hedged.

USE OF PROCEEDS

Placing under general mandate

Subsequent to the reporting period, on 9 May 2025, the Company completed a placing of 27,000,000 new shares to not less than six placees at the placing price of HK$0.30 per placing share under the general mandate granted to the directors on 15 August 2024. The net proceeds from the placing after deducting all relevant expenses were approximately HK$7.86 million. As at the date of this report, the net proceeds of approximately HK$3.36 million have been utilised as general working capital of the Group as intended.

2024 Convertible Notes

On 13 September 2024, the Company issued the 2024 Convertible Notes in a principal amount of HK$5 million at the conversion price of HK$0.5 per conversion share (adjusted after the effect of the 2024 Share Consolidation) under the general mandate granted to the directors of the Company on 15 August 2024. The net proceeds from the issue of 2024 Convertible Notes after deducting all relevant expenses was approximately HK$4.75 million, which were fully utilised for the general working capital of the Group as at the date of this report.

Rights Issue

In October 2024, the Company completed the Rights Issue and the net proceeds generated from the Rights Issue after deducting all relevant expenses was approximately HK$5.83 million, which were fully utilised as follow:

	Planned use of net proceeds HK$'000 (approximately)	Revised allocation of net proceeds HK$'000 (approximately)	Actual use of net proceeds HK$'000 (approximately)
Production orders of electric vehicles on hand	1,870	772	772
Production orders of electric and utility vehicles for potential customers	1,940	700	700
Homologation, marketing and promotion and aftersales support of the electric vehicles	320	–	–
General working capital and settlement of other administrative expenses	1,700	4,358	4,358
	5,830	5,830	5,830

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

The Mining Rights were frozen for the Preservation in relation to the Arbitration for a period of three years from 26 May 2023 to 26 May 2026. Details of the Arbitration are set out in the "Business Review" above.

Save as disclosed herein, there was no other charge on the Group's assets and the Group did not have any significant contingent liabilities not accounted for as at 31 March 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 41 (2024: 54) full-time managerial and skilled staff principally in Hong Kong and the PRC. The Group also engaged some international advisors in Europe to support its growth strategy in the global market. The Group is now working on a cost optimization plan in order to ensure maximum efficiency.

The Group remunerates and provides benefits for its employees based on current industry practices. Discretionary bonuses and other individual performance bonuses are awarded to staff based on the financial performance of the Group and performance of individual staff. In the PRC, the Group provides staff welfare for its employees in accordance with prevailing labor legislation. In Hong Kong, the Group provides staff benefits including the mandatory provident fund scheme and medical scheme. In addition, share options and share awards are granted to eligible employees in accordance with the terms of the Company's share schemes.

EVENTS AFTER THE REPORTING DATE

On 27 May 2025, the Group received a judgement of the CQ Arbitration dated 16 May 2025 from Chongqing Arbitration Commission (the "Judgement"), pursuant to which it was ruled by the Chongqing Arbitration Commission that (i) the Disposal Agreement shall be terminated effectively on 12 September 2024; (ii) the Group shall return the consideration of RMB34 million of the Suitong Disposal to the Purchaser and pay an amount of approximately RMB5.5 million to the Purchaser as liquidated damages for the breach of the terms under the Disposal Agreement and cost incurred by the Purchaser for the asset preservation application; and (iii) the Purchaser shall pay an amount of RMB760,000 to the Group as liquidated damages for the breach of the terms under the Disposal Agreement. Details of the CQ Arbitration are set out in the "Business Review" above.

On 9 May 2025, the Company completed a placing of 27,000,000 new shares to not less than six placees at the placing price of HK$0.30 per placing share under the general mandate granted to the directors on 15 August 2024. The net proceeds from the placing were approximately HK$7.86 million after deducting the commission payable to the placing agent and other related expenses incurred.

The directors herein present their report and the audited financial statements of the Group for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries during the year consist of investment holding, development and sales of electric vehicles and mining and trading of metals and minerals.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2025 are set out in the "CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME" on pages 65 to 66 of this annual report.

The directors do not recommend the payment of any dividend for the year (2024: HK$nil).

BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on its performance in different segments and an indication of likely future development in the Group's business are provided in the "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" on pages 3 to 32 of this annual report.

Financial key performance indicators

Set forth below are certain key performance indicators of the Group for the years ended 31 March 2025 and 2024:

	2025	2024
Revenue	**HK$3.0 million**	HK$42.2 million
Loss attributable to owners of the Company	**HK$(372.0 million)**	HK$(319.3 million)
Current ratio (current assets divided by current liabilities)	**0.4 times**	0.9 times
Gearing ratio (debts divided by equity attributable to owners of the Company)	**2.14%**	2.33%
		(Restated)
Net assets value per share(net assets divided by total number of shares)	**HK$4.2**	HK$6.6

Principal risks and uncertainties

The Group's business may be affected by risks and uncertainties which are known and set out below:

1. Most of the Group's assets are denominated in Renminbi. As a result, fluctuations in exchange rates may have negative impact on the overall results and financial position. The exchange rate of Renminbi depreciated by approximately 1.1% against Hong Kong dollars during the year. Hence, the results and financial position are adversely affected when they are translated into Hong Kong dollars for reporting purposes;

2. The Group's reported results could be affected by the impairment of non-financial assets. The Group may be required to recognise or reverse the impairment charges as a result of various factors including the prevailing product selling price, discount and exchange rates, operating and development cost projections, etc. The recognition or reversal of impairment charge may have material non-cash effect to the Group's results during the relevant year but will not affect the future business operations and financial conditions of the Group;

3. The development and sales of electric vehicles business of the Group is subject to relevant governmental policies and subsidies. Policy shifts may lead to changes of products and the amount of subsidies receivable. The Group closely monitors such shifts as well as strives to improve its technology and expand its market share;

4. At the end of the reporting period, the Group had a certain concentration of credit risk were 97% (2024: 51%) and 100% (2024: 100%) of the trade-related receivables and contract assets due from the Group's largest customer and the five largest debtors respectively. The Group generally provides a credit period of 30 to 365 days to its customers or allows the customers to make instalment payments over three to five years. The Group maintains strict control over receivables which are reviewed regularly by senior management. The Group also endeavors to obtain quality and trustworthy customers and targets to maintain long-term strategic relationships with them; and

5. In addition, various capital and financial risks have been disclosed in Notes 41 and 42 to the consolidated financial statements.

Environmental policies and performance

The Group recognises its responsibility to protect the environment from the adverse effects of its business activities. The Group continually seeks to identify and manage the environmental impact attributable to its operational activities in order to minimise this impact if possible. It aims to implement effective energy conservation measures by encouraging recycling, and upgrading equipment such as lighting and air-conditioning systems in order to increase overall operating efficiency. Discussion on the Group's environmental policies and performance are provided in the "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025" which is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.evdynamics.com.

Compliance with laws and regulations

During the year under review, as far as the Group is aware, there was no material breach or non-compliance with applicable laws and regulations that had a significant impact on its business and operations. The Group has continuously reviewed the newly enacted laws and regulations affecting its operations.

The Group complies with the requirements under the Companies Ordinance, the Listing Rules, and the Securities and Futures Ordinance (the "SFO"), among other things, the disclosure of information and corporate governance, and the Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules.

Relationships with employees, customers and suppliers

1. The sustainable development of the Group depends on the efforts and contribution of our staff. Most of the management and general staff have been serving the Group for a long period of time. The Group ensures all staff are reasonably remunerated and regularly reviews the employment policies on remuneration and other benefits.

2. The Group maintains close contact with its customers and regularly reviews requirements of customers and complaints. The Group values the views and opinions of all customers and understands the market trends from the customer's perspective through their feedback.

3. The Group maintains good relationship with the suppliers so as to achieve long-term commercial benefits. The responsible departments work closely to make sure the procurement process is conducted in an open and fair manner. The Group's requirements and standards are also well communicated to suppliers before the commencement of a project.

FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of the results of the Group for the last five financial reporting years and of its assets and liabilities as at the respective financial reporting year-end dates, as extracted from its published audited consolidated financial statements.

RESULTS

	Year ended 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE	**3,012**	42,239	36,347	49,947	23,788
LOSS BEFORE INCOME TAX	**(374,029)**	(326,951)	(81,518)	(418,709)	(788,146)
Income tax credit	**121**	122	127	3,618	851
LOSS FOR THE YEAR	**(373,908)**	(326,829)	(81,391)	(415,091)	(787,295)
ATTRIBUTABLE TO:					
Owners of the Company	**(372,028)**	(319,337)	(81,160)	(408,335)	(780,525)
Non-controlling interests	**(1,880)**	(7,492)	(231)	(6,756)	(6,770)
	(373,908)	(326,829)	(81,391)	(415,091)	(787,295)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2025	2024	2023	2022	2021
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**976,987**	1,351,168	1,709,870	2,011,715	2,243,525
TOTAL LIABILITIES	**(129,060)**	(134,869)	(91,554)	(201,065)	(172,073)
NON-CONTROLLING INTERESTS	**24,691**	29,914	40,609	43,186	36,280
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**872,618**	1,246,213	1,658,925	1,853,836	2,107,732

PROPERTY, PLANT AND EQUIPMENT

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

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in Note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year, together with the reasons thereof, are set out in Note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws of the Company or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RESERVES

Details of movements in the reserves of the Group during the year are presented in the "CONSOLIDATED STATEMENT OF CHANGES IN EQUITY" on page 69 of this annual report.

DISTRIBUTABLE RESERVES

At the end of the reporting period, the Company had no retained profits available for distribution. Under the Companies Act 1981 of Bermuda (as amended from time to time), the contributed surplus of the Company in the amount of HK$87,109,000 as at 31 March 2025 (2024: HK$87,109,000) is distributable to shareholders in certain circumstances, prescribed by Section 54 thereof as mentioned in Note 36(b) to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

	Percentage of the Group's total
Sales	
– The largest customer	86.9%
– Five largest customers combined	100.0%
Purchases	
– The largest supplier	39.3%
– Five largest suppliers combined	73.3%

None of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major customers or suppliers noted above.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors

Mr. Cheung Ngan	*(Chairman and Chief Executive Officer)*
Ms. Chan Hoi Ying	
Mr. Sun Jingchun	*(appointed on 5 September 2024)*
Mr. Miguel Valldecabres Polop	*(retired on 15 August 2024)*

Independent non-executive directors

Mr. Chan Francis Ping Kuen
Mr. Lee Kwok Leung
Dato' Tan Yee Boon

Mr. Cheung Ngan, Mr. Chan Francis Ping Kuen and Dato' Tan Yee Boon shall retire from the Board by rotation in accordance with the Company's Bye-Laws, and being eligible, shall offer themselves for re-election as directors of the Company at the forthcoming annual general meeting.

In accordance with Bye-law 115, Mr. Sun Jingchun who have been appointed as an executive director of the Company on 5 September 2024 shall hold office only until the forthcoming annual general meeting of the Company and shall then be eligible for re-election at the meeting.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate directors' and officers' liability insurance coverage in respect of legal actions against the directors and officers of the Group throughout the year.

The permitted indemnity provision is in force for the benefit of the directors as required by Section 470 of the Companies Ordinance when the directors' report is approved in accordance with Section 391(1)(a) of the Companies Ordinance.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

EMOLUMENT POLICY

The emoluments of the directors and senior management of the Company are decided by the Remuneration Committee, with regard to the market competitiveness, time commitment and comparable market statistics.

The emoluments of employees of the Group were determined on the basis of their performance, qualifications and competence.

Details of the directors' remuneration and that of the five highest paid individuals of the Group are set out in Notes 9 and 10 to the consolidated financial statements, respectively.

DIRECTORS' SERVICE CONTRACTS

None of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the year.

EQUITY LINKED AGREEMENTS

The Group's equity linked agreements entered into during the year or subsisting at the end of the year include the convertible notes, share option scheme and share award plan which are detailed below:

Convertible notes

Details of the convertible notes of the Group are set out in Note 33 to the consolidated financial statements.

Share schemes

2013 Share Option Scheme

The Company adopted a share option scheme (the "2013 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. The 2013 Share Option Scheme became effective on 30 August 2013 and expired on 30 August 2023.

As at the date of this report, 13,134,834 shares are available for issue under the 2013 Share Option Scheme, representing 6.57% of the issued shares of the Company. All outstanding options granted under the 2013 Share Option Scheme prior to its expiration will continue to be valid and exercisable in accordance with the rules of the 2013 Share Option Scheme.

The detailed movement of the share options under 2013 Share Option Scheme for the year ended 31 March 2025 are set out as follows:

			Number of underlying shares comprised in share options					
Name and category of participant	**Date of grant**	**Adjusted exercise price (Note)**	**Outstanding at 1 April 2024**	**Adjusted during the year (Note)**	**Lapsed/ forfeited during the year**	**Outstanding at 31 March 2025**	**Exercise period**	**Vesting period**
Directors								
Mr. Cheung Ngan	20 December 2022	HK$2.05	900,000	(731,868)	–	168,132	20 December 2022 to 19 December 2032	N/A
	10 March 2016	HK$16.05	370,000	(300,879)	–	69,121	10 March 2016 to 09 March 2026	10 March 2016 to 11 March 2020
Mr. Miguel Valldecabres Polop (retired on 15 August 2024)	20 December 2022	HK$2.05	9,000,000	–	(9,000,000)	–	20 December 2022 to 19 December 2032	N/A
	25 February 2021	HK$6.95	8,000,000	–	(8,000,000)	–	25 February 2021 to 24 February 2031	N/A
Ms. Chan Hoi Ying	20 December 2022	HK$2.05	900,000	(731,868)	–	168,132	20 December 2022 to 19 December 2032	N/A
	10 March 2016	HK$16.05	370,000	(300,879)	–	69,121	10 March 2016 to 09 March 2026	10 March 2016 to 11 March 2020
Mr. Chan Francis Ping Kuen	20 December 2022	HK$2.05	900,000	(731,868)	–	168,132	20 December 2022 to 19 December 2032	N/A
	10 March 2016	HK$16.05	370,000	(300,879)	–	69,121	10 March 2016 to 09 March 2026	10 March 2016 to 11 March 2020
Mr. Lee Kwok Leung	20 December 2022	HK$2.05	900,000	(731,868)	–	168,132	20 December 2022 to 19 December 2032	N/A
Dato' Tan Yee Boon	20 December 2022	HK$2.05	900,000	(731,868)	–	168,132	20 December 2022 to 19 December 2032	N/A
Other employees								
12 employees	20 December 2022	HK$2.05	23,500,000	(19,109,891)	(130,769)	4,259,340	20 December 2022 to 19 December 2032	N/A
16 employees	25 February 2021	HK$6.95	17,900,000	(13,742,858)	(1,000,000)	3,157,142	25 February 2021 to 24 February 2031	N/A
12 employees	10 March 2016	HK$16.05	25,000,000	(20,329,671)		4,670,329	10 March 2016 to 09 March 2026	10 March 2016 to 11 March 2020
4 employees	11 April 2014	N/A	3,400,000	–	(3,400,000)	–	12 April 2016 to 10 April 2024	11 April 2014 to 12 April 2020
Total			**92,410,000**	**(57,744,397)**	**(21,530,769)**	**13,134,834**		

Note:

The exercise prices, the closing price immediately before the date of grant and the numbers of share options have been adjusted upon (i) completion of the Rights Issue; and (ii) the 2024 Share Consolidation becoming effective on 13 November 2024.

2023 Share Option Scheme

In view of expiration of the 2013 Share Option Scheme and no further options can thereafter be offered or granted, the Company then adopted a new share option scheme (the "2023 Share Option Scheme") by way of an ordinary resolution at the annual general meeting of the Company held on 29 August 2023 (the "Adoption Date"). The 2023 Share Option Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date. As at the date of this annual report, the remaining life of the 2023 Share Option Scheme is approximately 8 years.

The purpose of the 2023 Share Option Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group. Eligible participants of the 2023 Share Option Scheme are any employee (including directors) of the Company or any of its subsidiaries. The option period during which an option may be exercised will be determined by the directors at their discretion, save that such period does not exceed 10 years from the offer date of such option. Acceptance of the offer shall be made within 21 days after the offer date with payment of HK$1 to the Company by way of consideration for the grant.

The maximum number of shares in respect of which options may be granted (the "Overall Scheme Limit") under the 2023 Share Option Scheme shall not (when aggregated with any shares subject to any other share option scheme and share award plan that involve the issuance of new shares of the Company) exceed 10% of the issued share capital as at the Adoption Date. As at 31 March 2025, the total number of options available for grant under the Overall Scheme limit was 18,559,357.

The maximum number of shares in respect of which options may be granted to a specifically identified single participant under the 2023 Share Option Scheme in any 12-month period up to and including the date of such grant shall not (when aggregated with any shares subject to any other share option scheme and share award plan that involve the issuance of new shares of the Company excluding any options and awards lapsed in accordance with the terms of the 2023 Share Option Scheme and amended 2019 Share Award Plan (the "Schemes")) exceed 1% of the shares in issue. Each grant of options to a participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, under the 2023 Share Option Scheme must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed grantee of such options). Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards already granted (excluding any options and awards lapsed in accordance with the terms of the Schemes) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares in issue, such further grant of options by the Board must be approved by the shareholders of the Company in general meeting (the vote on such approval to be taken on a poll) and whereby the Company must have sent a circular to the shareholders of the Company. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

The exercise price of the share options shall be at least the higher of (i) the closing price of the shares on the Stock Exchange on the date of offer; and (ii) the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of offer. The Board may, at its absolute discretion, specify performance targets that must be achieved before an option can be exercised and/or the minimum period for which an option must be held before it can be exercised which shall not be less than 12 months.

No share option has been granted under 2023 Share Option Scheme since its adoption.

2019 Share Award Plan

A share award plan (the "2019 Share Award Plan") was adopted by the Company on 8 May 2019 and is effective for 10 years expiring on 8 May 2029 (or such date of early termination as determined by the Board, provided that such termination shall not affect any subsisting rights of any Selected Participants). As at the date of this report, the remaining life of the 2019 Share Award Plan is approximately 3 years and 10 months.

On 29 August 2023, certain amendments to the 2019 Share Award Plan were proposed by the Board and approved by the Shareholders of the Company to bring the 2019 Share Award Plan in line with the amendments to the Listing Rules relating to share schemes of listed issuer, which took effect on 1 January 2023. Details of the amended 2019 Share Award Plan are set out in the circular of the Company dated 28 July 2023.

The purpose of the amended 2019 Share Award Plan is to recognise and reward the contribution of eligible participants to the growth and development of the Group, to give incentives to eligible participants in order to retain them for the continual operation and development of the Group, and to attract suitable personnel for further development of the Group. Eligible participants of the amended 2019 Share Award Plan are any employee (including directors) of the Company or any of its subsidiaries.

Pursuant to the amended 2019 Share Award Plan, the Board may award shares to selected participants ("Selected Participants"), with such shares being subscribed or acquired by the independent trustee from the market, at the cost of the Company and be held on trust as a share pool for the Selected Participants until they vest. Vested shares will be transferred at no cost to the Selected Participants.

The total number of shares which may be purchased and/or subscribed under the Schemes at any time shall not, in aggregate, exceed 10% of the total number of shares in issue as at 29 August 2023, being the date of approval of the Schemes by Shareholders. As at 31 March 2025, the total number of awards available for grant under the Overall Scheme Limit was 18,559,357.

The maximum number of shares which may be subject to an award or awards to a Selected Participant in the 12-month period up to and including the date of grant of such award together with any shares issued and to be issued under any options granted to such Selected Participant under any share option schemes of the Company shall not in aggregate exceed 1% of the total number of issued shares as at the date of grant of such award. Any grant of further awards above this limit shall be subject to (i) the approval of the shareholders at a general meeting, with such proposed grantee and his close associates (or associates if the Selected Participant is a connected person) abstaining from voting; (ii) a circular in relation to the proposal for such grant having been sent by the Company to the shareholders with such information from time to time as may be required by the Listing Rules; and (iii) the number of awarded shares to be awarded and the terms of the awards to be granted to such proposed grantee shall be fixed before the relevant general meeting of the shareholders.

Where any grant of awards to a Selected Participant who is a director, chief executive or substantial shareholder of the Company, or any of their respective associates, such grant must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed grantee of the awards). However, if such grant would result in the shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the amended 2019 Share Award Plan) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue (excluding treasury shares), such further grant of awards must be approved by shareholders of the Company in general meeting (the vote on such approval to be taken on a poll) and whereby the Company must send a circular to the shareholders. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

In the event that the trustee effects any purchases by off-market transactions, the purchase price for such purchases shall not be higher than the lower of (i) the closing market price on the date of such purchase, and (ii) the average closing market price for the five preceding trading days on which the shares were traded on the Stock Exchange. The Board may, at its absolute discretion, specify conditions and/or performance targets that must be achieved before any of the awarded shares may be transferred to and vested in such Selected Participant under such award. The Board may also determine the earliest date (the "Earliest Vesting Date") and other subsequent date on which the trustee may vest the legal and beneficial ownership of the awarded shares in the Selected Participant which shall not be less than 12 months from the date of acceptance of the award by the relevant Selected Participant unless otherwise permitted under the Listing Rules.

No award was granted to any Selected Participant of the Group during the year ended 31 March 2025 (31 March 2024: nil). There was no outstanding or unvested award in favour of any Selected Participant of the Group as at 31 March 2025 and no shares available for issue under the amended 2019 Share Award Plan as at the date of this report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Movements of the outstanding share options granted to the directors during the year ended 31 March 2025 are set out on page 39 of this annual report.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's directors, their respective spouse, or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

CONNECTED TRANSACTIONS

Details of the connected transactions undertaken by the Group during the years ended 31 March 2025 and 2024 are set out in Notes 32 and 40 to the consolidated financial statements. These transactions are entered in the ordinary course of business which were negotiated on normal commercial terms and on an arm's length basis and the Company has complied with the applicable requirements under the Listing Rules.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had been 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 the Model Code to be notified to the Company and the Stock Exchange were as follows:

Number of shares or underlying shares

Name of Director	Capacity or nature of interest	Long position	Short position	Approximate percentage of shareholding in the Company or associated corporation
Mr. Cheung Ngan	Beneficial owner & interest of controlled corporation	15,409,752 (Note 1)	–	7.71%
	Interest of controlled corporation	1,000 (Note 2)	–	0.00%
Ms. Chan Hoi Ying	Beneficial owner	237,253 (Note 3)	–	0.12%
Mr. Chan Francis Ping Kuen	Beneficial owner	237,253 (Note 3)	–	0.12%
Mr. Lee Kwok Leung	Beneficial owner	168,132 (Note 3)	–	0.08%
Dato' Tan Yee Boon	Beneficial owner	168,132 (Note 3)	–	0.08%

Notes:

1) The 15,409,752 shares include:

   a. the number of shares of 10,720,771 held by Mr. Cheung Ngan;

   b. the underlying shares of 237,253 from the share options granted, details of which are set out in the section headed "Directors' Rights to Acquire Shares" above; and

   c. the number of shares of 4,451,728 held by Faith Profit Holding Limited, which was wholly owned by Mr. Cheung Ngan.

2) The 1,000 shares represent the indirect interest in Tong Guan La Plata Company Limited ("TGLP"), which is 60% indirectly held by the Company and hence is an associated corporation. The 20% beneficial interest in TGLP is held by Catania Copper (Chile) Limited. Catania Copper (Chile) Limited is 40% held by Great Base Holdings Limited and 60% held by Catania Mining Limited. Catania Mining Limited is 55% held by CM Universal Corporation. Faith Profit Holding Limited held 50% interest in Great Base Holdings Limited. Mr. Cheung Ngan held 100% interest in Faith Profit Holding Limited and 51% interest in CM Universal Corporation.

3) Being options to acquire ordinary shares of the Company, and further details of which are set out in the section headed "Directors' Rights to Acquire Shares" above.

Save as disclosed above, as at 31 March 2025, none of the directors of the Company have interest or short positions in the shares and underlying shares or other securities of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 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 the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

As set out in Note 32 to the consolidated financial statements, there were loans from two shareholders, Faith Profit Holding Limited and Entrust Limited. Faith Profit Holding Limited was wholly owned by Mr. Cheung Ngan and Ms. Chan Hoi Ying controlled 25% of Entrust Limited. Save as disclosed above, no director, whether directly or indirectly, had a material beneficial interest in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2025, the following shareholders had registered an interest or short position in the shares or underlying shares of 5% or more of the issued share capital of the Company in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Number of shares or underlying shares

Name of substantial shareholder	Capacity or nature of interest	Long position	Short position	Approximate percentage of shareholding in the Company
Mr. Cheung Ngan	Beneficial owner & interest of controlled corporation	15,409,752 (Note 1)	–	7.71%
Faith Profit Holding Limited	Beneficial owner	4,451,728 (Note 1)	–	2.23%
Entrust Limited	Beneficial owner	19,654,550 (Note 2)	–	9.83%
Mr. Chan Tok Yu	Interest of controlled corporation	19,654,550 (Note 2)	–	9.83%
Ms. Siu Kwan	Interest of controlled corporation	19,654,550 (Note 2)	–	9.83%
Ms. Wang Xiaoli	Beneficial owner	10,372,000	–	5.19%

Notes:

1) The number of shares of 15,409,752 shares include:

   a. the number of shares of 10,720,771 held by Mr. Cheung Ngan;

   b. the underlying shares of 237,253 from the share options granted to Mr. Cheung Ngan; and

   c. the number of shares of 4,451,728 held by Faith Profit Holding Limited, which was wholly owned by Mr. Cheung Ngan. Accordingly, Mr. Cheung Ngan is deemed to be interested in the shares in which Faith Profit Holding Limited is interested by virtue of the SFO.

2) Entrust Limited is controlled as to 34% by Mr. Chan Tok Yu, 25% by Ms. Chan Hoi Ying (executive director of the Company), 25% by Mr. Chan Hin Yeung and 16% by Ms. Siu Kwan. Mr. Chan Tok Yu's interest is held by Ms. Siu Kwan as a trustee. Accordingly, Mr. Chan Tok Yu and Ms. Siu Kwan are deemed to be interested in the shares in which Entrust Limited is interested by virtue of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN CONTRACTS

Details of the contract of significance between the Group and the substantial shareholders are set out in Notes 32 and 40 to the consolidated financial statements.

BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

Name	Age	Position held	Number of years of service	Business experience
Mr. Cheung Ngan	68	Chairman, Executive Director	27	Joined the Group in March 1998 and is responsible for the development of corporate strategies, corporate planning, marketing and management functions of the Group. He has over 30 years' working experience in corporate management and investments in the PRC.
Mr. Sun Jingchun	64	Executive Director	1	Appointed as an executive director of the Company on 5 September 2024. Mr. Sun obtained a Bachelor's Degree in radio technology and information system in July 1983 and a Master's Degree in communication and electronic system in April 1986, both from Tsinghua University in Beijing, the PRC. Mr. Sun has over 30 years of experience in enterprise establishment, management and market development.
Ms. Chan Hoi Ying	38	Executive Director	9	Joined the Company in 2014 and was appointed as an executive director of the Company in 2016. Ms. Chan holds a Master's of Actuarial Practice from Macquarie University in Australia. She had worked for the audit department of Messrs. RSM Hong Kong for several years.
Mr. Chan Francis Ping Kuen	66	Independent Non-Executive Director	20	Appointed as an independent non-executive director of the Company in September 2004. Mr. Chan holds a Bachelor's Degree in economics from the University of Sydney in Australia. He is a member of the Chartered Accountants Australia and New Zealand and the Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 30 years of experience in auditing, accounting and financial management and previously worked for an international accounting firm and a number of companies listed in Hong Kong and the United States. Mr. Chan is currently an Independent non-executive director of Indigo Star Holdings Limited, the share of which are listed on the GEM of the Stock Exchange of Hong Kong Limited.

Name	Age	Position held	Number of years of service	Business experience
Dato' Tan Yee Boon	50	Independent Non-Executive Director	9	Appointed as an independent non-executive director of the Company in June 2016. Dato' Tan holds a Bachelor of Laws degree from the University of Glamorgan, United Kingdom. He holds a Certificate of Legal Practice from the Legal Qualifying Board of Malaysia. He is currently practicing as an advocate and solicitor of the High Court of Malaya and is also a member of the Bar Council of Malaysia. He is now a partner of Messrs. David Lai & Tan, a firm of advocates and solicitors in Malaysia. Dato' Tan possesses over 20 years of extensive experience in the field of legal and corporate practice. Dato' Tan is currently a deputy chairman of Propel Global Berhad and independent non-executive director of Feytech Holdings Berhad, both of which are listed on the Main Market of Bursa Malaysia. He is also an independent non-executive chairman of Ecoscience International Berhad, the shares of which are listed on the ACE Market of Bursa Malaysia. He is also an independent non-executive director of TIL Enviro Limited, the shares of which are listed on the Main Board of the Stock Exchange.
Mr. Lee Kwok Leung	71	Independent Non-Executive Director	4	Appointed as an independent non-executive director of the Company on 16 November 2021. He has over twenty years of experience in asset management or professional and institutional investors. Mr. Lee has extensive experience in portfolio construction, portfolio management, risk assessment and investment due-diligence. He was the managing director of BOCI Direct Investment Management Limited from 1992 to 1999, where he was responsible for the overall management of the private equity fund. Mr. Lee is the representative and responsible officer of Success Advance Investments Limited, a Type 4 and 9 regulated entity registered with the Securities and Futures Commission of Hong Kong. Mr. Lee is currently an executive director of China Castson 81 Finance Company Limited (formerly known as China Internet Investment Finance Holdings Limited), the shares of which are listed on the Main Board of the Stock Exchange.

CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Since the publication of the latest interim report and up to the date of this report, changes in directors' information are set out below:

- The term of appointment of Mr. Chan Francis Ping Kuen, independent non-executive directors of the Company, has been renewed for a further two years from 1 July 2025 to 30 June 2027 at a director's fee of HK$100,000 per annum.
- The service agreement of Ms. Chan Hoi Ying, executive directors of the Company, has been renewed for a further two years from 10 May 2025.
- Dato' Tan Yee Boon has resigned as an independent non-executive director of Protasco Berhad (Stock Code: 5070.KL), the shares of which are listed on the Main Market of Bursa Malaysia.

Save as disclosed above, there is no other change required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONFIRMATION OF INDEPENDENCE

The Company has received a written confirmation in respect of independence from each of the independent non-executive directors in compliance with Rule 3.13 of the Listing Rules and considers each of them to be independent.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out in the "CORPORATE GOVERNANCE REPORT" on pages 48 to 62 to this annual report.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained sufficient public float as required under the Listing Rules during the reporting period.

AUDITOR

The consolidated financial statements have been audited by BDO Limited who will retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint BDO Limited as the Company's auditor.

ON BEHALF OF THE BOARD

Cheung Ngan
Chairman

Hong Kong
30 June 2025

The Company is committed to achieving and maintaining high standards of corporate governance. The Board devotes considerable efforts to identify and formalise the best corporate governance practices suitable for the Company's needs.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules. The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the year ended 31 March 2025 except the following:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Despite the deviation from C.2.1 of the code provision of the Listing Rules for Mr. Cheung Ngan serves as the Chairman of the Board as well as the chief executive officer of the Company, the Board believes that Mr. Cheung Ngan being the Chairman of the Board, is familiar with the Company's business operation and has excellent knowledge and experience of the Company's business which will be conducive to improving the efficiency of the Company's overall strategic planning. The Board believes that such management structure layout will be more beneficial to the future development of the Company and will improve the Company's operating conditions. The Board will review the effectiveness of this arrangement from time to time and will consider appointing an individual as the chief executive officer when appropriate.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors' securities transactions.

All directors have confirmed, following specific enquiry by the Company, they have complied with the required standards set out in the Model Code during the year ended 31 March 2025.

THE BOARD

The Board is responsible for the leadership and control of the Company and overseeing the Group's business, strategic decisions and financial performances. The Board delegates to the management team the day-to-day management of the Company's business including the preparation of annual and interim reports, and for implementation of internal control, business strategies and plans developed by the Board.

Composition of the Board

The Board is currently comprised of three executive directors and three independent non-executive directors. The directors who served the Board during the year ended 31 March 2025 and up to the date of this annual report are as follows:

Executive directors

Mr. Cheung Ngan	*(Chairman and Chief Executive Officer)*
Ms. Chan Hoi Ying	
Mr. Sun Jingchun	*(appointed on 5 September 2024)*
Mr. Miguel Valldecabres Polop	*(retired on 15 August 2024)*

Independent non-executive directors

Mr. Chan Francis Ping Kuen
Mr. Lee Kwok Leung
Dato' Tan Yee Boon

Each of the directors' respective biographical details are set out in the "Biographical details in respect of directors" in the REPORT OF THE DIRECTORS of this annual report. The Board believes that its composition is well balanced with each director having sound knowledge, skills, diversity of perspectives, and experience and/or expertise relevant to the business of the Group.

The Company had arranged appropriate insurance cover for all directors.

Independent non-executive directors

More than one-third of the Board is independent non-executive directors and one of them has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. Each of the independent non-executive directors has made an annual confirmation of independence, and the Company considers that all of the independent non-executive directors are independent in accordance with the guidelines as set out in Rule 3.13 of the Listing Rules.

Although two of the independent non-executive directors, Mr. Chan Francis Ping Kuen and Dato' Tan Yee Boon, have been serving the Board for more than nine years, all of them have not engaged in any executive or management role of the Company. They have made considerable contributions to the Company with their relevant experience and knowledge throughout their years of service and has maintained an independence view in relation to the Company's affair. Hence, taking into consideration of their independence and integrity when performing duties as independent non-executive directors over the past years, there is no evidence that length of tenure will have any adverse impact on their role. The Company therefore considers all of independent non-executive directors are independent throughout the year under review.

In addition to the above, to the best knowledge of the directors, there is no financial, business, family or other material/relevant relationship among members of the Board.

Term of appointment of non-executive directors

It is the Company policy that all non-executive directors have been appointed for a term of two years. All directors are subject to retirement by rotation at least once every three years under the Company's Bye-Laws.

Directors' continuous training and development

The directors acknowledge the importance of keeping abreast of the business activities and development of the Company, updating their professional development, and refreshing their knowledge and skills. The Company encourages the directors to participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. As such, all directors received updates and reading materials or attended seminars on worldwide financial market, investor relations, taxation in Hong Kong and the PRC, update on disclosure requirements and other regulatory subjects relevant to the directors' duties and responsibilities. All directors had provided a record of training they received during the year ended 31 March 2025 to the Company.

Chairman and Chief Executive Officer

The roles of the Chairman of the Board and Chief Executive Officer with a clear division of responsibilities.

The Chairman continues to receive significant support from the directors. The Chairman is primarily responsible for the leadership of the Board, ensuring that all significant policy issues are discussed by the Board in a clear and constructive manner. All directors have been updated timely, giving a balanced and understandable assessment of the Company's performance and business information. The Board, led by the Chairman, sets the overall direction, strategy and policies of the Company. The Chairman provides leadership for the Board to ensure that it works effectively, performs its responsibilities and acts in the best interests of the Company. He is also responsible for overseeing effective functioning of the Board and application of good corporate governance practices and procedures. The Chairman also encourages the directors to make full and active contributions to the Board's affairs, to voice their concerns or different views and ensure that the decisions fairly reflect the consensus. The Chairman also held meetings and have communications with the independent non-executive directors without the presence of other directors during the reporting period to discuss the Company's strategy, director's contributions, and their independent view.

The Chief Executive Officer is responsible for proposing strategy to the Board and ensuring effective implementation of the strategy set by the Board for the Company's business. The Chief Executive Officer reports to the Board on the Company's actual and forecast performance against its objectives and monitors the achievement of objectives of the business units.

Mr. Cheung Ngan serves as the Chairman of the Board as well as the Chief Executive Officer of the Company which can oversee the daily management and operation of the various developments of the Group and business expansion. The Board also considers that there are adequate balance of power and safeguards in place and will review and monitor this situation periodically and will ensure that present structure would not impair the balance of power of the Company.

Appointment and re-election of directors

The Company follows a formal and considered procedure for the appointment of new directors. The Nomination Committee identifies suitably qualified individuals to the Board and makes recommendations on proposed appointments to complement the Company's corporate strategy. The Board shall select and appoint the candidates for directorships of the Company based on their appropriate experiences, personal skills and time commitments. Any director newly appointed shall hold office only until the next following general meeting after his appointment and be subject to re-election at such meeting.

In compliance with Rule 3.09D of the Listing Rules, Mr. Sun Jingchun has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 5 September 2024, and has confirmed that he understood his obligations as director.

All non-executive directors and independent non-executive directors of the Company were appointed for a specific term, but subject to the relevant provisions of the Bye-Laws of the Company, or any other applicable laws whereby the directors shall vacate or retire from their office. All of them have entered into letters of appointment with the Company for a term of not more than two years.

According to the Bye-Laws of the Company, at each annual general meeting of the Company, one-third of the directors for the time being shall retire from office by rotation. Every director shall be subject to retirement by rotation at least once every three years.

BOARD MEETINGS AND ATTENDANCE

At least four Board meetings were scheduled to be held a year to discuss and formulate the overall strategy as well as the operational and financial performance of the Group. The board and committee meeting minutes reflect the matters considered and decisions reached in appropriate details. All minutes are kept by the Company Secretary and available to all directors for inspection.

The details of directors' attendance at the meetings (including the board meetings, remuneration committee meetings, audit committee meetings, nomination committee meetings, annual general meeting and special general meeting) held during the year are set out as follows:

	Number of meetings attended and held					
Name	Board meeting	Remuneration committee	Audit committee	Nomination committee	Annual general meeting	Special general meeting
Executive directors:						
Mr. Cheung Ngan *(Chairman and Chief Executive Officer)*	11/11	2/2	N/A	3/3	1/1	2/2
Mr. Miguel Valldecabres Polop *(retired on 15 August 2024)*	2/2	N/A	N/A	N/A	0/1	N/A
Ms. Chan Hoi Ying	11/11	N/A	N/A	N/A	1/1	2/2
Mr. Sun Jingchun *(appointed on 5 September 2024)*	3/3	N/A	N/A	N/A	1/1	0/1
Independent non-executive directors:						
Mr. Chan Francis Ping Kuen *(Chairman of Audit Committee and Nomination Committee)*	11/11	2/2	3/3	3/3	1/1	2/2
Mr. Lee Kwok Leung	11/11	N/A	3/3	N/A	1/1	2/2
Dato' Tan Yee Boon *(Chairman of Remuneration Committee)*	11/11	2/2	3/3	3/3	1/1	2/2

BOARD COMMITTEE

The Board has established three committees with clearly-defined written terms of reference. The independent views and recommendations of the three committees ensure proper control of the Group and the continual achievement of the high standard of corporate governance practices.

Remuneration Committee

The Remuneration Committee is currently composed of two independent non-executive directors and one executive director, being Dato' Tan Yee Boon, Mr. Chan Francis Ping Kuen and Mr. Cheung Ngan respectively. The Remuneration Committee plays an advisory role to the Board and has every right to access to professional advice relating to remuneration proposal if considered necessary. The final authority to approve any remuneration package is retained by the Board. The full terms of reference setting out the authority of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee meets at least once a year and will meet as and when necessary or when requested by a Committee member.

The brief duties of the Remuneration Committee as per the terms of reference are as follows:

i) to formulate remuneration policy for the approval of the Board by taking into consideration of individual performance and the prevailing market comparable;

ii) to make recommendations to the Board on the Company's policy and structure for the remuneration of the directors and senior management;

iii) to have the delegated responsibilities to determine the specific remunerations package of individual executive directors and senior management; and

iv) to review and approve compensation payable to executive directors and senior management in connection with any loss or termination of their office or compensation arrangement relating to dismissal or removal of directors.

The summary of work of the Remuneration Committee during the year ended 31 March 2025 includes:

i) reviewed the policy for the remuneration of directors and senior management with reference to the Board's corporate goals and objectives;

ii) reviewed the remuneration of the independent non-executive directors;

iii) made recommendations to the Board as to the remuneration packages of directors and senior management; and

iv) considered and reviewed the grant of share-based compensation to eligible participants pursuant to the Share Option Scheme and Share Award Plan.

Members of senior management during the reporting period comprised only of the executive directors and the details of the directors' remuneration are set out in Note 9 to the consolidated financial statements.

Audit Committee

The Audit Committee is currently composed of three independent non-executive directors, Mr. Chan Francis Ping Kuen, Dato' Tan Yee Boon and Mr. Lee Kwok Leung. The Audit Committee is responsible for providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, overseeing the audit process and the corporate governance functions. The Audit Committee also communicates among directors, the external auditor, the internal auditor and the management as regards financial reporting, internal control, risk management and the auditing. The full terms of reference setting out the authority of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The Audit Committee meets at least twice a year and will meet as and when necessary or when requested by a Committee member, the external auditor or the internal auditor.

The brief duties of the Audit Committee as per the terms of reference are as follows:

i) to monitor integrity of the Company's consolidated financial statements and reports;

ii) to discuss with external auditor any matters arising from the audit of the Company's consolidated financial statements;

iii) to review financial controls, internal controls and risk management system; and

iv) to review the Company's financial and accounting policies and practices.

The summary of work of the Audit Committee during the year ended 31 March 2025 includes:

i) reviewed the interim report for the six months ended 30 September 2024 and the related results announcements;

ii) reviewed the annual financial statements for the year ended 31 March 2024 and the related results announcements;

iii) reviewed the Group's internal control system and discussed the relevant issues including financial, operational and compliance controls and risk management functions;

iv) reviewed the policies and practices on the Company's corporate governance, including respective policies and practices and disclosures in the Corporate Governance Report;

v) reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions;

vi) meeting with the internal auditor to discuss and confirm the audit plan, the risk management and internal control system of the Group and make recommendations in relation thereto;

vii) reviewed the internal audit report and the recommendations made to the Company and the effectiveness of internal audit activities;

viii) reviewed the effectiveness of the internal control and risk management systems;

ix) reviewed and recommended for the whistleblowing policy;

x) meeting with external auditor to discuss any issue arising from the audit and other matters the external auditor may raise; and

xi) reviewed the remuneration and terms of engagement of the Company's external auditor.

Nomination Committee

The Nomination Committee is currently composed of two independent non-executive directors and one executive director, being Mr. Chan Francis Ping Kuen, Dato' Tan Yee Boon and Mr. Cheung Ngan respectively. It considers matters regarding the nomination and appointment or re-appointment of directors. The Nomination Committee has the right to access to independent professional advice if considered necessary. The full terms of reference setting out the authority of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

One of the responsibilities of the Nomination Committee is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business, and able to devote sufficient time and attention to the affairs of the Company and make contributions to the Company that are commensurate with their role and board responsibilities. A balanced composition of executive directors and independent non-executive directors shall be included in the Board so that there is a strong independent element in the Board, which can effectively exercise independent judgement.

The Nomination Committee meets at least once a year and will meet as and when necessary or when requested by a Committee member. The brief duties of the Nomination Committee as per the terms of reference are as follows:

i) to review the structure, size and diversity (including but not limited to gender, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of services) of the Board at least annually and make recommendations;

ii) to identify individuals suitably qualified to become board members and to receive nomination from shareholders or directors, and make recommendation on the selection of individuals nominated for directorship;

iii) to assess the independence of the independent non-executive directors in accordance with the Listing Rules and the Code; and

iv) to make recommendations to the board on the appointment or reappointment of directors and succession planning for directors.

The summary of work of the Nomination Committee during the year ended 31 March 2025 includes:

i) reviewed the structure, size and diversity of the Board, including but not limited to the independent non-executive directors, to ensure that it has a balance of expertise, skills and diversity of perspective appropriate to the business of the Company;

ii) identified individuals to become board members and make recommendation for directorship during the year;

iii) reviewed and made recommendations on the retirement of directors by rotation and the re-appointment of the retiring directors at the 2024 Annual General Meeting;

iv) reviewed and made recommendations on the re-appointment of directors during the year; and

v) assessed the independence of the independent non-executive directors.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group, as well as their responsibility for performing the corporate governance functions. The directors ensure that the financial statements for the year ended 31 March 2025 were prepared in accordance with statutory requirements and applicable accounting standards.

Disclaimer of Opinion

The Company's auditor, BDO Limited, issued a disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 March 2025 due to scope limitation relating to appropriateness of the going concern assumption. Details are disclosed in the section headed "Basis for disclaimer of opinion" in the Independent Auditor's Report of this annual report.

Position and basis of the management on the disclaimer of opinion

The Company understands the position of the Company's auditor that they could not evaluate (i) the reasonableness of the likelihood of success, and the timing and amount of the proposed share placement (the "Potential Placement"); and (ii) the financial viability of the shareholders in providing the undertakings (the "Undertakings"), pursuant to which they will not demand the repayment of the shareholders' loans amounting to HK$12 million (the "Shareholders' Loans") from the Group earlier than 31 December 2026.

However, the management is of the view that

(i) in respect of the Potential Placement, with the completion of the placing of new shares by the Company in May 2025 and the latest negotiation between the management and the potential investors on the Potential Placement, the Company is optimistic that the Potential Placement would materialise; and

(ii) in respect of the Shareholders' Loans, the Company is of the view that it is not practicable for the Company or the management to obtain further documents from its shareholders regarding their personal wealth and/or financial position. However, as the relevant shareholders had continued to provide financial support to the Group as and when necessary in the past, the management has no reason to believe that they are not capable of fulfilling the Undertakings.

Taking into account of the above, the management considers that the Company will have sufficient cashflow to meet its financial obligations for the next 12 months as and when required. Accordingly, the management considers that the use of going concern basis for the preparation of the consolidated financial statements for the year ended 31 March 2025 is appropriate.

Audit committee's view on the management's position

The Audit Committee has discussed the disclaimer of opinion with the management and the Directors, and agreed with their position and basis (including the matters involving their substantial judgements). In particular, on the basis that (i) the Potential Placement is expected to materialise, with the completion of the placing of new shares by the Company in May 2025 and the latest negotiation between the management and the potential investors on the Potential Placement; (ii) the relevant shareholders provided the Undertakings in writing for which the management has no reason to believe that they are not capable of not demanding the Group to repay the Shareholders' Loans by 31 December 2026; and (iii) the cashflow forecast of the Group for the 16 months demonstrates that the Group would have sufficient cash flows to meet its financial obligations as and when they fall due.

Taking into account of the factors above, the Audit Committee agreed with the management's view that the Group will have sufficient cash flows to meet its financial obligations as and when they fall due, and it is appropriate for the Company to prepare its consolidated financial statements on a going concern basis.

The Group will continue in executing the outlined plans and measures by actively engaging in negotiations with several potential investors for Potential Placement to mitigate liquidity pressures and enhance its cash flows.

CORPORATE GOVERNANCE FUNCTIONS

The specific written terms of reference of the corporate governance functions is available on the Company's website. The primary duties of the corporate governance functions include reviewing the Company's policies, practices on corporate governance, compliance with legal and regulations requirements, monitoring the training and continuous professional development of the directors and senior management.

DIVERSITY POLICY

Board Diversity Policy

The Board adopted the board diversity policy in compliance with the Code. The Company recognised and embraced the benefits of having a diverse board to the quality of its performance. The policy was adopted to ensure that a range of diversity perspectives continues to remain in the composition of the Board.

In determining the Board's composition, the Board considered a range of diversity elements and measurable objectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, terms of service and the independence requirements in the selection of independent non-executive director. The Nomination Committee then put forward the recommendation in respect of the above factors, where appropriate, to the Board for consideration and adoption. The final decision will be made according to the strengths of the candidate and its respective contributions to be made to the Board. The Nomination Committee ensures that the Board comprises members with mixed skills, knowledge and experience necessary for the Group's business development, strategies and operation.

Our Board has a balance of tenure, diversity and age, with an effective mix of experience and fresh perspective. According to Rule 13.92 of the Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. As at the date of this report, the Board consists of one female Director, representing approximately 16.7% of the Board. The Board targets to maintain at least the current level of female representation. The Board will continue to seek opportunities to increase the proportion of female member over time as and when suitable candidates are identified. Having considered the business needs of the Company, the Nomination Committee considers that the current Board is sufficiently diversified in terms of its skills, gender, experience, knowledge and independence.

The Nomination Committee will monitor the implementation of the policy to ensure the effectiveness and will discuss any revisions that may be required, and recommend any such revisions to the Board for adoption. The Nomination Committee will review the Board Diversity Policy annually and disclose in the Corporate Governance Report on the Board's composition under diversified perspectives to achieve the objective on maintaining current regulatory requirements and good corporate governance practice.

Gender Diversity across Workforce

At workforce level, the Group aims to create an inclusive and safe working environment where everyone is treated equally and free from discrimination and gender bias. All employees are entitled to have equal opportunity in recruitment, career development, promotion, benefits and training. As at 31 March 2025, the ratio of men to women in the workforce (including senior management) of the Group was 26:15. The Group will actively promote corporate principles and values which include equal opportunity for men and women, and to reduce the reliance on male workers through implementing different measures, such as provision of additional machinery and equipment as well as optimisation of the work process and thereby enhance gender diversity.

DIVIDEND POLICY

The Company adopted a dividend policy on 8 May 2019 to set out standard rules and guidelines to be followed by the Board in considering whether to recommend dividend. The policy sets out the consideration factors for recommendation and declaration of dividend payment, such as the Group's business and financial performance, working capital requirements, capital expenditure and future development plans, retained earnings and distributable reserves of the Group and other factors that the Board deems relevant. The payment of the dividend is also subject to shareholders' approval and compliance with applicable laws and regulations including the laws of Bermuda and the Bye-Laws of the Company.

The dividend policy does not constitute a binding commitment by the Company on its future dividend and shall not obligate the Company to declare dividend at any time or from time to time, but only represents a general rules and reference purpose regarding the dividend policy. The Board will review the policy and reserve the right to amend the said policy from time to time.

AUDITORS' REMUNERATION AND AUDITOR RELATED MATTERS

The statement of the Company's auditors BDO Limited, regarding their report responsibilities is set out in the "INDEPENDENT AUDITOR'S REPORT" on pages 63 to 64 of this report.

Total auditors' remuneration in relation to audit and non-audit services provided to the Group amounted to HK$0.9 million (2024: HK$1.8 million), was paid/payable to BDO Limited for audit service in accordance with HKFRS Accounting Standards. The external auditor's fees are set out in Note 11 to the consolidated financial statements of this Annual Report.

COMPANY SECRETARY

Mr. Leung Wai Chun was appointed as the Company Secretary of the Company on 15 May 2023.

Mr. Leung Wai Chun, age 60, joined the Group since 2001 and is presently the Chief Financial Officer and the Company Secretary of the Company. He held a MBA degree from The California State University of USA and a bachelor's degree majoring in Accountancy from The University of Southern Queensland of Australia. He is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. He has over 30 years of experience in accounting, finance management, investment and corporate related matters.

The Company Secretary is responsible for advising the Board on governance matters and also facilitates induction and professional development of the directors. The Company Secretary reports to the Chairman of the Board. All directors have access to the advice and services of the Company Secretary. The Company Secretary has day-to-day knowledge of the Company's affairs and is also responsible for ensuring the procedures of the Board meetings are observed. During the reporting period, the Company Secretary had undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its overall responsibility for maintaining an effective internal control system and risk management policy of the Company. In respect of the year ended 31 March 2025, the Board considered the internal control systems and risk management are effective and adequate. No significant areas of concern that may affect the financial, operational, compliance controls, and risk management functions of the Group has been identified. The systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. They can only provide reasonable, and not absolute, assurance against material misstatement or loss. During the review, the Board also considered the resources, qualification/experience of staff of the Group's internal control, accounting and financial reporting function, and their training and budget were adequate.

The framework of the control is as follows:

The Board	• take any necessary and appropriate action to maintain an adequate internal control system to safeguard shareholders' investments and the Company's assets; • maintain proper accounting records and to ensure the reliability of financial information used for business operations and publication; • determine the nature of risk that the Company is willing to take in achieving the Company's objective; and • delegate the responsibility to the Audit Committee to review and oversee the effectiveness of the internal control systems and risk management of the Company.
Audit Committee	• review and oversee the effectiveness of the risk management and internal control systems of the Group; • discuss with the internal auditor on the major findings and review the internal audit report; and • review and discuss with the management of the Company to ensure that they take the responsibility on the design, implementation and monitoring the system and internal control.
Internal auditor	• prepare its yearly audit plan which is reviewed and approved by the Audit Committee; • discuss the major findings in respect of internal audit services with the Audit Committee and provide recommendations to improve the risk management and internal control system of the Group; and • deliver to the Audit Committee the internal audit reports regarding the main risk areas in relation to the internal audit plan.
The management of the Company	• design, implement and execute the system and internal control effectively; and • monitor the risks and supervise the day-to-day operations.

The Board, through the Audit Committee and internal auditor, has conducted an annual review of the effectiveness of the risk management and internal controls systems (including financial, operational and compliance controls) and was satisfied that the Company's internal control processes are adequate to meet the needs of the Company in its current business environment. The adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting, internal audit and financial reporting functions have been reviewed and are considered to be adequate. The Board also reviewed the profile of the significant risks and how these risks have been identified, evaluated and managed, the changes since the last annual review, in the extent of significant risks, and the Group's ability to respond to changes in its business and the external environment. The Company also incorporated the recommendations from the internal auditor to maintain an effective and adequate risk management and internal control systems of the Company.

INTERNAL AUDIT FUNCTION

To comply with the Code in relation to the establishment of internal audit function, the Company engaged and reappointed Richard Poon & Partners Risk Management Limited as an internal auditor of the Company in relation to the provision of internal audit services to the Company throughout the year ended 31 March 2025. The internal audit function monitors compliance with policies and standards and the effectiveness of internal control structures of the Group.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

The Company is committed to maintain environmental and social standard to ensure business development and sustainability. We take steps to reduce the consumption of energy and promote green office policies e.g. advocate paperless office to reduce the consumption of paper, using internal communication in the form of direct electronic mail or other electronic device, turn off computers, printers and lighting immediately after use, and use environmentally friendly products and certified materials whenever possible.

Discussion on the Group's environmental policies and social performance is provided in the "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025" which is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.evdynamics.com.

INSIDE INFORMATION

There are internal procedures for the handling and dissemination of inside information, which has set out the procedures of identification, report and disclosure of inside information to ensure that the Company is able to disclose inside information properly and to ensure the information is kept confidential before such information is approved appropriately. Directors and management of the Company are responsible to take all reasonable measures to ensure that proper safeguards are in place to prevent the Company from breaching the statutory disclosure requirement.

WHISTLEBLOWING POLICY

Employees at all levels are expected to achieve the highest standards of openness, probity and accountability. A whistleblowing policy and system have been implemented and set up for employees and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidential and anonymity, about any suspected misconduct or malpractice within the Group.

ANTI-CORRUPTION POLICY

The Company has established policies and system that promote and support anti-corruption laws and regulations. Detailed discussion on anti-corruption is set out in the "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025".

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of maintaining clear, timely and effective communication with shareholders of the Company and investors. The Board also recognises that effective communication with investors is the key to establish investor confidence and to attract new investors.

The Company is committed to providing the shareholders of the Company with balanced and understandable information about the Company and has adopted a shareholders' communication policy, the summary of which is set out below:

1. corporate communication is published on the Stock Exchange's website and the Company's own website in a timely manner as required by the Listing Rules;

2. the Company shall publish announcements (on inside information, corporate actions and transactions, etc.) and other documents (e.g. memorandum of association and bye-laws) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules;

3. any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.evdynamics.com);

4. the annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its shareholders where the shareholders are provided with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable the shareholders to make an informed decision on the proposed resolution(s);

5. the shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings;

6. where appropriate or required, the chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer the shareholders' questions (if any); and

7. written enquiries (such as by mail to the Company's head office in Hong Kong) from the shareholders about corporate governance or other matters to be put to the Board and the Company will be dealt with by the Board.

The Board conducted review of the implementation and effectiveness of the communication policy for shareholders. Having considered the multiple channels of communication in place, the Board is of the view that the shareholders' communication policy has been properly implemented for the year ended 31 March 2025 and is effective.

SHAREHOLDERS' RIGHTS

Procedure for shareholders to convene a Special General Meeting (the "SGM")

Pursuant to the Bye-Laws of the Company, SGM can be convened on requisition by shareholders. Also, the Companies Act provides that shareholders, as at the date of deposit of the requisition, hold not less than one-tenth (10%) of the issued capital of the Company and carry the right of voting at general meeting, can request the directors to convene a SGM.

The shareholders must state the purpose of the meeting and the requisition must be deposited at the registered office of the Company. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Shareholders' enquiries

Shareholders should direct questions about their shareholdings to the Company's Hong Kong branch share registrar. They can also make enquiry to the Board for any publicly available company information. They can, by stating the nature and reason in written form, make enquiry to the Board provided it has been duly served to the attention of the Board at the head office. The contact details are set out in the "CORPORATE INFORMATION" on page 2 of this annual report.

Procedure for making proposals at general meeting

Shareholders may put forward written proposals for consideration at a general meeting by submitting their proposals to the Board at the head office of the Company at least 60 days before the relevant general meeting. The proposal should be in the form of a proposed resolution and should comply with the following criteria:

(i) to be clearly and concisely set out the proposal for discussion;

(ii) to be in accordance with the Company's Memorandum of Association and Bye-Laws, all applicable laws and regulations and the Listing Rules;

(iii) to be relevant to the Company's business scope and comply with all relevant requirements of a general meeting; and

(iv) in the event that the proposed business includes a proposal to amend the Bye-Laws of the Company, the proposed resolution should be in complete text and supported by, including but not limited to the following:

- the class and total number of shares beneficially owned by the individual shareholders of the group of shareholders making the proposal;
- the reasons for the proposed resolution;
- any interest in or anticipated benefit to the proposing shareholder or its associate; and
- the benefits or disadvantage, if any, that the proposer suggests.

PROCEDURE FOR PROPOSING A PERSON FOR ELECTION AS A DIRECTOR

The procedure for proposing a person for election as a director was made available on the Company's website.

CONSTITUTIONAL DOCUMENTS

There was no change to the Company's Memorandum of Association and the Bye-Laws during the reporting period and they are available on the websites of the Company and the Stock Exchange.

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TO THE SHAREHOLDERS OF EV DYNAMICS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Ev Dynamics (Holdings) Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 65 to 138, which comprise the consolidated statement of financial position as at 31 March 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.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope Limitation Relating to Appropriateness of the Going Concern Assumption

As set out in note 3(b) to the consolidated financial statements, the Group incurred a loss of HK$373,908,000 for the year ended 31 March 2025, and as of that date, the Group had net current liabilities of HK$70,360,000. As disclosed in Note 47(b), subsequent to the end of the reporting period, pursuant to the court judgement dated 16 May 2025, the Group is required to refund the consideration received of RMB34 million in relation to the proposed disposal of the entire equity interests in a group of subsidiaries and pay the relevant liquidation damages of RMB5.5 million to the purchaser, totalling approximately HK$40 million.

When assessing the appropriateness of the use of the going concern basis for the preparation of the consolidated financial statements, the directors of the Company have prepared a cash flow forecast covering a period of 16 months from the end of the reporting period. Certain plans and measures have been taken by the Group to improve its liquidity and financial position, as detailed in Note 3(b) to the consolidated financial statements. Based on the directors' assessment, the Group is able to continue as a going concern and it is appropriate to prepare the consolidated financial statements on a going concern basis.

The appropriateness of the consolidated financial statements prepared on a going concern basis largely depends on whether the plans and measures as detailed in Note 3(b) can be successfully implemented as scheduled. In relation to the expected net proceeds from the proposed placement of new shares, we have not been provided with the details regarding the potential investors, the intended placing price and size that enable us to evaluate the reasonableness of the likelihood of success, and the timing and amount of the share placement. In addition, there was no sufficient information available from management that enables us to evaluate the financial viability of the shareholders such that they are able to provide the undertaking of not demanding the Group to repay HK$12 million due to them earlier than 31 December 2026.

Due to the limitations on our scope of work as stated above and there are no alternative audit procedures that we can perform to obtain sufficient appropriate audit evidence to support the above plan and measures can be successfully implemented, as a result, we were unable to obtain sufficient appropriate evidence to conclude whether the directors' use of going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group fail to achieve the above plans and measures as abovementioned, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

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 issued by the Hong Kong Institute of Certified Public Accountants ("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 responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

BDO Limited
Certified Public Accountants

Pak, Tak Lun, Amos
Practising Certificate Number: P06170

Hong Kong, 30 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Revenue	7(a)	**3,012**	42,239
Cost of sales		**(4,982)**	(39,538)
Gross (loss)/profit		**(1,970)**	2,701
Other income	7(b)	**1,465**	2,026
Selling and distribution expenses		**(431)**	(7,268)
Administrative expenses		**(39,889)**	(60,454)
Impairment of investment in an associate	21	**–**	(2,451)
Impairment of mining assets	11	**(284,752)**	(170,631)
Impairment of trade receivables, net	11	**(7,584)**	(5,173)
Reversal of impairment/(impairment) of contract assets	11	**516**	(126)
Impairment of amount due from an associate	11	**–**	(6,097)
Write-off of other receivables and prepayments, net	11	**(16,360)**	(4,370)
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")	43	**(10,295)**	(36,783)
Realised loss on disposal of financial assets at FVTPL	22	**(11,600)**	(35,277)
Loss on derecognition of an other receivable	11	**–**	(1,858)
Loss on disposal of subsidiaries	45	**(2,674)**	–
Loss on dissolution of a subsidiary		**(58)**	–
Share of results of an associate	21(a)	**–**	(412)
Finance costs	8	**(397)**	(778)
Loss before income tax	11	**(374,029)**	(326,951)
Income tax credit	12	**121**	122
Loss for the year		**(373,908)**	(326,829)
Other comprehensive income for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from:			
– translation of foreign operations		**(9,966)**	(75,188)
– reclassification relating to disposal and dissolution of subsidiaries		**1,504**	–
Other comprehensive income for the year		**(8,462)**	(75,188)
Total comprehensive income for the year		**(382,370)**	(402,017)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Loss attributable to:			
– Owners of the Company		**(372,028)**	(319,337)
– Non-controlling interests		**(1,880)**	(7,492)
		(373,908)	(326,829)
Total comprehensive income attributable to:			
– Owners of the Company		**(380,518)**	(397,328)
– Non-controlling interests		**(1,852)**	(4,689)
		(382,370)	(402,017)
Loss per share			(Restated)
– Basic and diluted (HK$)	14	**(1.93)**	(1.72)

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	15	**27,175**	30,402
Construction in progress	16	**28,149**	26,703
Right-of-use assets	17	**13,654**	18,281
Mining assets	19	**845,000**	1,139,000
Investment in an associate	21	**–**	–
Other intangible assets	20	**1,778**	3,639
Amount due from an associate	21(b)	**–**	–
Prepayments	25	**11,343**	11,464
Total non-current assets		**927,099**	1,229,489
Current assets			
Inventories	23	**13,708**	16,097
Trade receivables	24	**5,814**	13,447
Contract assets	28	**197**	12,723
Other receivables, deposits and prepayments	25	**21,765**	38,503
Financial assets at FVTPL	22	**–**	27,008
Cash and bank balances		**8,404**	13,901
Total current assets		**49,888**	121,679
Total assets		**976,987**	1,351,168
Current liabilities			
Accounts payable	26	**5,672**	7,208
Other payables and accruals	27	**72,877**	66,736
Contract liabilities	28	**27,841**	27,729
Loans from shareholders	32	**11,577**	12,277
Bank and other borrowings	29	**–**	9,892
Lease liabilities	30	**2,281**	4,648
Total current liabilities		**120,248**	128,490
Net current liabilities		**(70,360)**	(6,811)
Total assets less current liabilities		**856,739**	1,222,678

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current liabilities			
Deferred tax liabilities	31	**4,002**	4,166
Lease liabilities	30	**–**	2,213
Convertible notes	33	**4,810**	–
Total non-current liabilities		**8,812**	6,379
Total liabilities		**129,060**	134,869
NET ASSETS		**847,927**	1,216,299
Equity			
Share capital	34	**9,998**	92,796
Reserves		**862,620**	1,153,417
Equity attributable to owners of the Company		**872,618**	1,246,213
Non-controlling interests	37	**(24,691)**	(29,914)
TOTAL EQUITY		**847,927**	1,216,299

On behalf of the Board

Cheung Ngan	**Chan Hoi Ying**
Director	*Director*

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company										
	Share capital HK$'000 (Note 34)	Share premium HK$'000 (Note 36(a))	Con-tributed surplus HK$'000 (Note 36(b))	Convertible notes equity reserve HK$'000 (Notes 33 and 36(f))	Share options reserve HK$'000 (Note 36(c))	Foreign currency translation reserve HK$'000 (Note 36(d))	Capital reserve HK$'000 (Note 36(e))	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000 (Note 37)	Total equity HK$'000
At 1 April 2023	92,796	3,970,029	20,566	6,625	80,421	(276,094)	687	(2,236,105)	1,658,925	(40,609)	1,618,316
Loss for the year	–	–	–	–	–	–	–	(319,337)	(319,337)	(7,492)	(326,829)
Other comprehensive income:											
– Exchange difference arising from translation of foreign operations	–	–	–	–	–	(77,991)	–	–	(77,991)	2,803	(75,188)
Total comprehensive income	–	–	–	–	–	(77,991)	–	(319,337)	(397,328)	(4,689)	(402,017)
Acquisition of additional interests in subsidiaries resulting from reorganisation (Note 46)	–	–	–	–	–	–	–	(15,384)	(15,384)	15,384	–
Expiration of the Old Convertible Notes	–	–	–	(6,625)	–	–	–	6,625	–	–	–
Transfer upon dissolution of a subsidiary	–	–	–	–	–	–	(13,166)	13,166	–	–	–
At 31 March 2024	92,796	3,970,029	20,566	–	80,421	(354,085)	(12,479)	(2,551,035)	1,246,213	(29,914)	1,216,299
At 1 April 2024	92,796	3,970,029	20,566	–	80,421	(354,085)	(12,479)	(2,551,035)	1,246,213	(29,914)	1,216,299
Loss for the year	–	–	–	–	–	–	–	(372,028)	(372,028)	(1,880)	(373,908)
Other comprehensive income:											
– Exchange difference arising from translation of foreign operations	–	–	–	–	–	(9,994)	–	–	(9,994)	28	(9,966)
– Reclassification relating to disposal and dissolution of subsidiaries	–	–	–	–	–	1,504	–	–	1,504	–	1,504
Total comprehensive income	–	–	–	–	–	(8,490)	–	(372,028)	(380,518)	(1,852)	(382,370)
Issue of shares (Note 34(iii))	719	5,979	–	–	–	–	–	–	6,698	–	6,698
Settlement of the Old Convertible Notes by shares purchased from open market (Note 33)	–	–	–	–	–	–	–	(99)	(99)	–	(99)
Issue of 2024 Convertible Notes (Note 33)	–	–	–	324	–	–	–	–	324	–	324
Lapsed share options	–	–	–	–	(7,753)	–	–	7,753	–	–	–
Forfeited share options	–	–	–	–	(21,286)	–	–	21,286	–	–	–
Capital Reorganisation (Note 34(ii))	(83,517)	–	–	–	–	–	–	83,517	–	–	–
Disposal of subsidiaries (Note 45)	–	–	–	–	–	–	–	–	–	7,075	7,075
At 31 March 2025	9,998	3,976,008	20,566	324	51,382	(362,575)	(12,479)	(2,810,606)	872,618	(24,691)	847,927

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES			
Loss before income tax		**(374,029)**	(326,951)
Adjustments for:			
Interest income	7	**(416)**	(554)
Finance costs	8	**397**	778
Depreciation of property, plant and equipment	11	**2,786**	5,071
Depreciation of right-of-use assets	11	**1,997**	11,990
Amortisation of other intangible assets	11	**1,838**	1,857
Change in fair value of financial assets at FVTPL		**10,295**	36,783
Realised loss on disposal of financial assets at FVTPL		**11,600**	35,277
Loss on derecognition of an other receivable	11	**–**	1,858
Gain on disposal of property, plant and equipment	7	**(93)**	–
Loss on write-off of property, plant and equipment	11	**18**	8
Loss on disposal of subsidiaries	45	**2,674**	–
Loss on dissolution of a subsidiary		**58**	–
Gain on lease termination	7	**(68)**	–
Write-down of inventories	11	**2,055**	6,879
Impairment of mining assets	11	**284,752**	170,631
Impairment of trade receivables, net	11	**7,584**	5,173
(Reversal of impairment)/impairment of contract assets	11	**(516)**	126
Impairment of investment in an associate	11	**–**	2,451
Impairment of amount due from an associate	11	**–**	6,097
Write-off of other receivables and prepayments, net	11	**16,360**	4,370
Share of results of an associate	21(a)	**–**	412
Exchange loss, net		**–**	2,803
Operating cash flows before movements in working capital		**(32,708)**	(34,941)
Decrease/(increase) in inventories		**639**	(2,143)
Decrease in trade receivables		**565**	704
Decrease in contract assets		**12,809**	499
Decrease in other receivables, deposits and prepayments		**1,204**	264
Decrease in accounts payable		**(1,302)**	(2,085)
Increase in other payables and accruals		**11,123**	35,067
Increase in contract liabilities		**106**	6,340
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		**(7,564)**	3,705

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	44(b)	–	(6)
Additions to construction in progress		**(1,744)**	(1,269)
Proceeds from disposal of property, plant and equipment		**107**	15
Proceeds from disposal of financial assets at FVTPL		–	11,750
Net cash outflow from disposal of subsidiaries	45	**(11)**	–
Interest received	7	**416**	554
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		**(1,232)**	11,044
FINANCING ACTIVITIES			
Proceeds from issue of shares	34(iii)	**6,833**	–
Transaction costs paid on issue of shares		**(135)**	–
Interest paid on lease liabilities	44(a)	**(111)**	(204)
Interest paid on bank borrowing	44(a)	**(29)**	(267)
Interest paid on other borrowing	44(a)	**(123)**	(307)
Purchase of own shares for settlement of the Old Convertible Notes	33	**(99)**	–
Proceeds from issue of the 2024 Convertible Notes	33	**5,000**	–
Repayment of principal portion of lease liabilities	44(a)	**(2,022)**	(2,887)
Proceeds from loans from shareholders	44(a)	**135**	1,271
Repayment of loans from shareholders	44(a)	**(831)**	–
Proceeds from other borrowing	44(a)	–	5,016
Repayment of bank borrowing	44(a)	**(4,741)**	(656)
Repayment of other borrowing	44(a)	–	(4,064)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		**3,877**	(2,098)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(4,919)**	12,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**13,901**	1,429
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(578)**	(179)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**8,404**	13,901
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**8,404**	13,901

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its head office and principal place of business are located at 46th Floor, United Asia Finance Centre, 333 Lockhart Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in development and sales of electric vehicles, mining and metal and minerals trading.

2. CHANGES IN ACCOUNTING POLICIES

(a) New standards, interpretation and amendments – effective 1 April 2024

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

None of these amendments to HKFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period.

(b) New standards, interpretations and amendments 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.

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurements of Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[1]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
Amendments to HK Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(b) New standards, interpretations and amendments that have been issued but are not yet effective (Continued)

[1] Effective for annual periods beginning on or after 1 January 2025

[2] Effective for annual periods beginning on or after 1 January 2026

[3] Effective for annual periods beginning on or after 1 January 2027

[4] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The Group is currently assessing the impact of these new and amendments to HKFRS Accounting Standards. Based on a preliminary assessment, except for the below, these new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's financial statements.

HKFRS 18, Presentation and Disclosure in Financial Statements

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all 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, these consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

3. BASIS OF PREPARATION (Continued)

(b) Basis of measurement and going concern assumption

These consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

The Group incurred a loss of HK$373,908,000 for the year ended 31 March 2025. As of that date, the Group had net current liabilities of HK$70,360,000. As disclosed in Note 47(b), subsequent to the end of the reporting period, pursuant to the court judgement dated 16 May 2025, the Group is required to refund the consideration received of RMB34 million in relation to the proposed disposal of the entire equity interests in a group of subsidiaries and pay the relevant liquidation damages of RMB5.5 million to the purchaser, totalling approximately HK$40 million.

When assessing the appropriateness of the use of the going concern basis for the preparation of the consolidated financial statements, the directors of the Company has prepared a cash flow forecast that covers sixteen months from the end of the reporting period for the purpose of assessing the Group's ability to continue as a going concern. In preparing the cash flow forecast, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing and also have taken account of the following plans and measures:

(i) net proceeds of not less than HK$80 million from placement of new shares which is expected to be completed in August 2025; and

(ii) the shareholders of the Company will not demand repayment of the loans owed by the Group to them with aggregate carrying value of approximately HK$12 million as at 31 March 2025 earlier than 31 December 2026.

Based on the above plans and measures, the directors of the Company are of the view that the Group will have adequate resources to continue in operational existence and meet its financial obligations as and when they fall due over the period of the cash flow forecast. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the validity of the going concern assumption depends of the successful outcome of the Group's plans and measures, including:

(i) the successful obtaining additional new sources of funding to support its operations; and

(ii) the shareholders' ability to provide financial support to the Group in terms of not demanding repayment of the loans owed by the Group.

These indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and therefore the Group may not be able to realise its assets and discharges its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned above, it might not be able to continue to operate as a going concern, and adjustments would have to be made in the consolidated financial statements to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of such adjustments has not yet been reflected in the consolidated financial statements.

(c) Functional and presentation currency

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

4. ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (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.

Non-controlling interests in subsidiaries are identified separately from the Group's equity and are initially measured at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

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

When the Group loses control of a subsidiary, the 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 interests. 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.

(b) 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.

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.

(c) Associate

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 is 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.

4. ACCOUNTING POLICIES (Continued)

(c) Associate (Continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

(d) Property, plant and equipment and construction in progress

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is recognised in profit or loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost thereof.

Depreciation is charged so as to write off the cost of items of property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period. The expected useful lives of property, plant and equipment are as follows:

Leasehold improvements	Shorter of the related lease terms or 3 to 10 years
Plant and machinery	5 to 15 years
Furniture, fixtures, equipment and motor vehicles	3 to 5 years

Construction in progress represents properties under construction for production or administrative purposes, which is stated at cost less any impairment loss and is not depreciated. Cost comprises the direct costs of construction, related professional fees, capitalised depreciation of machinery used for construction and capitalised borrowing costs on related borrowed funds. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the relevant assets and is recognised in profit or loss.

(e) Intangible assets (other than goodwill)

Technical know-how and industrial proprietary rights are stated at cost less accumulated amortisation and any impairment losses (Note 4(g)). Technical know-how is amortised on the straight-line basis over a period of 5 years. Industrial proprietary rights are amortised on the straight-line basis over a period of 5 to 10 years. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

(f) Mining assets

Mining assets are stated at cost less accumulated amortisation and any impairment losses (Note 4(g)). Mining assets are amortised over the estimated useful lives of the mines based on the proven and probable reserves of the mines using the units of production method.

4. ACCOUNTING POLICIES (Continued)

(g) Impairment of tangible and intangible assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, construction in progress, right-of-use assets, investment in subsidiaries and an associate, mining assets and other intangible assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset (or a cash generating unit ("CGU")) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for that asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Value in use is based on the estimated future cash flows expected to be derived from the asset (or CGU), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

(h) Financial instruments

(i) Financial assets

Trade receivables are initially recognised when they are originated. 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. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

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 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.

Debt instruments

Amortised cost	Assets 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 method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity instruments

FVTPL	All equity instruments are classified as FVTPL, whereby changes in fair value, dividends are recognised in profit or loss.

4. ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables and other financial assets measured at amortised cost.

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 has measured loss allowances for trade receivables that do not contain a significant financing component using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. For trade receivables that are not assessed for ECL individually, 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-month 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, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset to be in default 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.

The Group considers a financial asset to be credit-impaired when there is significant financial difficulty of the debtor, a breach of contract, restructuring of a loan or advance, or it is probable that the debtor will enter bankruptcy etc.

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.

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. 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.

4. ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(iii) Financial liabilities

Financial liabilities including accounts and other payables, bank and other borrowings and loans from shareholders are initially measured at fair value, net of directly attributable costs incurred. They are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with the accounting policy for borrowing costs.

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

(iv) Equity instruments

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

(v) Derecognition

The Group generally derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expires.

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

(vi) Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible notes; and this amount is carried as a financial liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in convertible notes equity reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4. ACCOUNTING POLICIES (Continued)

(j) Leasing

The Group as lessee

All leases are capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities except for (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The lease payments associated with those leases have been expensed on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is 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 assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

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 lessee's incremental borrowing rate.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(k) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate 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.

Where it is not probable that an outflow of resources embodying economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and appropriate portion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

4. ACCOUNTING POLICIES (Continued)

(m) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in profit or loss except when it relates to items recognised in other comprehensive income, in which case the income tax is recognised in other comprehensive income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary difference.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(n) Foreign currencies

The individual financial statements of each group entity are presented in their functional currency. For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Hong Kong dollars which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of that entity (the "foreign currencies") are recorded in its functional currency at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement and translation of monetary items are recognised in profit or loss in the period in which they arise.

4. ACCOUNTING POLICIES (Continued)

(n) Foreign currencies (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operation are expressed in Hong Kong dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

(o) Employees' benefits

(i) Short term 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 end of the reporting period.

(ii) Employee benefits – Defined contribution schemes

The Group operates a Mandatory Provident Fund ("MPF") Scheme for its employees in Hong Kong. Contributions to the MPF Scheme are made based on rates applicable to the respective employees' relevant income from the Group and are charged to profit or loss as they become payable in accordance with government regulations. The Group's mandatory contributions are fully and immediately vested in favour of the employees. The assets of MPF Scheme are held separately from those of the Group in an independently administered fund.

Employees of the group entities operate in the People's Republic of China ("PRC") are required to participate in a central pension scheme operated by the local municipal government. These entities are required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to profit or loss in the period in which they are incurred.

(p) Equity-settled share-based payments

(i) Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees and other selected participants as consideration for equity instruments of the Group.

Share options scheme

The fair value of share options determined at the grant date is expensed over the vesting period, which is the period over which all of the specified non-market vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to the share options reserve.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

4. ACCOUNTING POLICIES (Continued)

(p) Equity-settled share-based payments (Continued)

(ii) Share-based payment transactions among group entities

The grant by the Company of share options, share award and other equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity in the parent's entity accounts.

(q) Revenue recognition

Sales of motor vehicles

The Group recognised the revenue from sales of motor vehicles at a point in time when the customer obtains control of the goods which is upon the delivery of the related goods to the customers. Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Contract asset and contract liability

A contract asset represents the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. Contract assets are transferred to trade receivables when the right to payment becomes unconditional. Impairment losses are recognised on the same basis as trade receivables.

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

(r) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capabilities to continue as going concerns and the major events and conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption and related mitigating measures taken by management are set out in Note 3(b).

Impairment of non-financial assets

As at the reporting date, the Group's non-financial assets (including property, plant and equipment, construction in progress, right-of-use assets, mining assets and other intangible assets) (the "Assets") are subject to impairment testing as impairment indicators existed. The recoverable amounts of the Assets or the CGUs to which the Assets belong are the higher of the value in use or fair value less costs of disposal. The estimations of the recoverable amounts of the Assets or the CGUs require the directors to estimate the future cash flows expected to arise from the Assets or the CGUs and suitable discount rates.

In determining the recoverable amount of the EV CGU (as defined in Note 20), the valuer has based its valuation on fair value less costs of disposal approach which involves unobservable market data to derive the fair values of the major non-current assets composing the EV CGU. In determining the recoverable amount of the mining assets, the valuer has based its valuation on the projected future cash flows of the mining business using the multi period excess earnings method. In relying on the valuations, management has exercised their judgement and is satisfied that the methods of valuation adopted are appropriate in determining the relevant recoverable amounts of the mining assets or the EV CGU and reflective of current market conditions.

Further information on the impairment assessments is provided in Note 19 and Note 20.

Impairment of financial assets measured at amortised cost and contract assets

Management estimates the amount of loss allowance for ECLs on financial assets that are measured at amortised cost and contract assets based on the credit risk of the respective financial asset and contract assets. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows after taking into consideration of expected future credit loss of the respective financial assets and contract assets. The assessment of the credit risk of the respective financial assets and contract assets involves high degree of estimation and uncertainty. When the actual future cash flows are different from expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

Further information on the impairment assessment on financial assets and contract assets is provided in Note 42.

6. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has the following three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies.

- Development and sales of electric vehicles;
- Mining; and
- Metal and minerals trading.

Inter-segment transactions are priced with reference to prices charged to external parties for similar orders. Corporate income and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results that are used by the chief operating decision-maker for assessment of segment performance.

6. SEGMENT REPORTING (Continued)

(a) Reportable segments

	Development and sales of electric vehicles		Mining		Metal and minerals trading		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**3,012**	42,239	**–**	–	**–**	–	**3,012**	42,239
Reportable segment loss	**(33,754)**	(47,149)	**(285,298)**	(185,133)	**(25)**	(79)	**(319,077)**	(232,361)
Interest income	**412**	549	**–**	–	**–**	–	**412**	549
Unallocated interest income							**4**	5
Total interest income							**416**	554
Loss on disposal of subsidiaries	**(2,674)**	–	**–**	–	**–**	–	**(2,674)**	–
Loss on dissolution of a subsidiary	**(58)**	–	**–**	–	**–**	–	**(58)**	–
Depreciation	**(3,005)**	(6,078)	**(53)**	(8,494)	**–**	–	**(3,058)**	(14,572)
Unallocated depreciation expenses							**(1,725)**	(2,489)
Total depreciation							**(4,783)**	(17,061)
Amortisation	**(1,838)**	(1,857)	**–**	–	**–**	–	**(1,838)**	(1,857)
Impairment of trade receivables, net	**(7,584)**	(5,173)	**–**	–	**–**	–	**(7,584)**	(5,173)
Reversal of impairment/(impairment) of contract assets	**516**	(126)	**–**	–	**–**	–	**516**	(126)
Write-off of other receivables and prepayments, net	**(16,360)**	(4,370)	**–**	–	**–**	–	**(16,360)**	(4,370)

6. SEGMENT REPORTING (Continued)

(a) Reportable segments (Continued)

	Development and sales of electric vehicles		Mining		Metal and minerals trading		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Write-down of inventories	**(2,055)**	(6,879)	**–**	–	**–**	–	**(2,055)**	(6,879)
Impairment of mining assets	**–**	–	**(284,752)**	(170,631)	**–**	–	**(284,752)**	(170,631)
Impairment of investment in an associate	**–**	(2,451)	**–**	–	**–**	–	**–**	(2,451)
Impairment of amount due from an associate	**–**	(6,097)	**–**	–	**–**	–	**–**	(6,097)
Share of result of an associate	**–**	(412)	**–**	–	**–**	–	**–**	(412)
Reportable segment assets	**101,378**	149,413	**870,273**	1,164,780	**7**	3	**971,658**	1,314,196
Additions to non-current assets	**14**	3,240	**1,730**	–	**–**	–	**1,744**	3,240
Unallocated additions to non-current assets							**–**	4,761
Total additions to non-current assets							**1,744**	8,001
Reportable segment liabilities	**(100,207)**	(107,309)	**(6,613)**	(6,740)	**(204)**	(204)	**(107,024)**	(114,253)

6. SEGMENT REPORTING (Continued)

(b) Reconciliation of segment revenue, profit or loss, assets and liabilities

	2025 HK$'000	2024 HK$'000
Revenue		
Reportable segment revenue and consolidated revenue	**3,012**	42,239
Loss before income tax		
Reportable segment loss	**(319,077)**	(232,361)
Unallocated other income	**409**	263
Change in fair value and realised loss on disposal of financial assets at FVTPL	**(21,895)**	(72,060)
Loss on derecognition of an other receivable	**–**	(1,858)
Unallocated other corporate expenses	**(33,069)**	(20,157)
Finance costs	**(397)**	(778)
Consolidated loss before income tax	**(374,029)**	(326,951)
Assets		
Reportable segment assets	**971,658**	1,314,196
Unallocated corporate assets *	**5,329**	36,972
Consolidated total assets	**976,987**	1,351,168
Liabilities		
Reportable segment liabilities	**107,024**	114,253
Unallocated corporate liabilities	**22,036**	20,616
Consolidated total liabilities	**129,060**	134,869

* Unallocated corporate assets as at 31 March 2025 mainly represent cash and bank balances of HK$202,000 (2024: HK$1,816,000), financial assets at FVTPL of HK$nil (2024: HK$27,008,000) held by the Company and unallocated other receivables and prepayments of HK$2,309,000 (2024: HK$3,601,000).

6. SEGMENT REPORTING (Continued)

(c) Geographic information

The following is an analysis of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("Specified non-current assets") by the geographical areas in which the customers and assets respectively are located:

	Revenue from external customers		**Specified non-current assets**	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
PRC, including Hong Kong	**2,618**	–	**927,099**	1,229,489
Philippines	**276**	–	**–**	–
Thailand	**118**	–	**–**	–
Mexico	**–**	42,239	**–**	–
Total	**3,012**	42,239	**927,099**	1,229,489

(d) Information about major customers

Revenue from a customer contributing over 10% of the total revenue of the Group is as follows:

Development and sales of electric vehicles	**2025 HK$'000**	2024 HK$'000
Customer A	**N/A***	42,239
Customer B	**2,618**	N/A*

* Revenue from the customers did not contribute over 10% of the total revenue of the Group in the respective year.

7. REVENUE AND OTHER INCOME

(a) Revenue from contracts with customers within the scope of HKFRS 15

The Group derives revenue from the transfer of goods at a point in time in the following major product line:

	2025 HK$'000	2024 HK$'000
Sale of electric vehicles	3,012	42,239

Note: Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 6(c).

(b) Other income

	2025 HK$'000	2024 HK$'000
Gain on disposal of property, plant and equipment	93	–
Gain on lease termination	68	–
Government grants (Note)	32	275
Exchange gain, net	346	–
Sundry income	510	1,197
Interest income	416	554
	1,465	2,026

Note:

Government grants were received from local government authority and the entitlements of which were under the discretion of the relevant authorities. There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised.

8. FINANCE COSTS

	2025 HK$'000	2024 HK$'000
Interest on bank borrowing	29	267
Interest on convertible notes	134	–
Interest on other borrowing	123	307
Interest on lease liabilities	111	204
	397	778

9. DIRECTORS' REMUNERATION

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap.622) and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) are as follows:

For the year ended 31 March 2025

	Fees HK$'000	Basic salaries, housing benefits, other allowances and benefits in kind HK$'000	Pension contributions HK$'000	Total HK$'000
Executive directors:				
Mr. Cheung Ngan	–	2,588	–	2,588
Ms. Chan Hoi Ying	–	1,830	18	1,848
Mr. Sun Jingchun (Appointed on 5 September 2024)	–	563	8	571
Mr. Miguel Valldecabres Polop (Retired on 15 August 2024)	–	706	–	706
Sub-total	–	5,687	26	5,713
Independent non-executive directors:				
Mr. Chan Francis Ping Kuen	100	–	–	100
Mr. Lee Kwok Leung	100	–	–	100
Dato' Tan Yee Boon	100	–	–	100
Sub-total	300	–	–	300
Total	300	5,687	26	6,013

9. DIRECTORS' REMUNERATION (Continued)

For the year ended 31 March 2024

	Fees HK$'000	Basic salaries, housing benefits, other allowances and benefits in kind HK$'000	Pension contributions HK$'000	Total HK$'000
Executive directors:				
Mr. Cheung Ngan	–	2,584	–	2,584
Mr. Miguel Valldecabres Polop (Retired on 15 August 2024)	–	1,742	–	1,742
Ms. Chan Hoi Ying	–	1,830	18	1,848
Sub-total	–	6,156	18	6,174
Independent non-executive directors:				
Mr. Chan Francis Ping Kuen	100	–	–	100
Mr. Lee Kwok Leung	100	–	–	100
Dato' Tan Yee Boon	100	–	–	100
Sub-total	300	–	–	300
Total	300	6,156	18	6,474

There were no arrangements under which a director waived or agreed to waive any remuneration for the years ended 31 March 2025 and 2024. No remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2025 and 2024.

10. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included three (2024: three) directors, details of whose remuneration are set out in Note 9. The details of the remuneration of the remaining two (2024: two) non-director highest paid individuals are as follows:

	2025 HK$'000	2024 HK$'000
Basic salaries, allowances and benefits in kind	**1,528**	1,476
Pension contributions	**36**	35
	1,564	1,511

10. FIVE HIGHEST PAID INDIVIDUALS (Continued)

The number of non-director highest paid individuals whose remunerations fell within the following bands are as follows:

	2025 Number of employees	2024 Number of employees
HK$nil to HK$1,000,000	**2**	2
HK$3,500,001 to HK$4,000,000	**–**	–
HK$4,000,001 to HK$4,500,000	**–**	–
	2	2

No share option was granted to non-director, highest paid individuals in respect of their services to the Group under the share option scheme of the Company during the financial years ended 31 March 2025 and 2024.

No share has been awarded to non-director, highest paid individuals in respect of their services to the Group under the Share Award Plan during the years ended 31 March 2025 and 2024.

11. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	2025 HK$'000	2024 HK$'000
Auditor's remuneration	**920**	1,756
Amortisation of other intangible assets (Note 20)	**1,838**	1,857
Cost of inventories recognised as expenses (Note)	**4,982**	39,538
Depreciation of property, plant and equipment (Note 15)	**2,786**	5,071
Depreciation of right-of-use assets (Note 17)	**1,997**	11,990
Exchange (gain)/loss, net	**(346)**	5,659
Loss on write-off of property, plant and equipment	**18**	8
Impairment of investment in an associate (Note 21)	**–**	2,451
Impairment of trade receivables, net	**7,584**	5,173
(Reversal of impairment)/impairment of contract assets	**(516)**	126
Impairment of mining assets (Note 19)	**284,752**	170,631
Write-off of other receivables and prepayments, net	**16,360**	4,370
Loss on derecognition of an other receivable	**–**	1,858
Impairment of amount due from an associate	**–**	6,097
Loss on disposal of subsidiaries	**2,674**	–
Loss on dissolution of a subsidiary	**58**	–
Short-term and low-value lease expense	**634**	763
Directors' remuneration (Note 9)	**6,013**	6,474
Employee costs (excluding directors' remuneration)		
– Salaries and allowances	**7,777**	12,000
– Other benefits	**186**	289
– Pension contributions	**468**	583
	8,431	12,872

Note: Cost of inventories recognised as expenses for the year ended 31 March 2025 includes HK$595,000 (2024: HK$2,233,000) relating to depreciation of property, plant and equipment and HK$2,055,000 (2024: HK$6,879,000) relating to write-down of inventories.

12. INCOME TAX

(a) The amount of income tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 HK$'000	2024 HK$'000
Current tax		
– Provision for PRC enterprise income tax for the year	–	–
Deferred tax (Note 31)		
– Origination and reversal of temporary differences	(121)	(122)
Income tax credit	(121)	(122)

Overseas taxes on assessable profits of the group companies, if any, are calculated at the rates of tax prevailing in the respective jurisdictions in which they operate, based on the prevailing legislation, interpretations and practices in respect thereof.

As at 31 March 2025, deferred tax assets have not been recognised for the following deductible temporary differences:

	2025 HK$'000	2024 HK$'000
Unused tax losses		
– Hong Kong	234,801	198,860
– Mainland China	220,882	246,599
Other deductible temporary differences	9,209	10,784
	464,892	456,243

The tax losses of the subsidiaries operating in Hong Kong will not expire under the current tax legislation. The tax losses of the subsidiaries operating in Mainland China will expire within five years.

No deferred tax asset has been recognised in respect of the unused tax losses and other deductible temporary differences as it is not probable that taxable profit will be available against which the tax losses and other deductible temporary differences can be utilised.

12. INCOME TAX (Continued)

(b) The income tax credit for the year can be reconciled to the loss before income tax as stated in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK$'000	2024 HK$'000
Loss before income tax	**(374,029)**	(326,951)
Tax credit at the applicable rates	**(93,494)**	(61,079)
Tax effect of non-taxable revenue	**(485)**	(247)
Tax effect of non-deductible expenses	**83,502**	49,590
Tax effect of tax losses and deductible temporary differences not recognised	**10,356**	11,614
Income tax credit for the year	**(121)**	(122)

13. DIVIDEND

No dividend has been proposed or paid by the Company in respect of the years ended 31 March 2025 and 2024.

14. LOSS PER SHARE

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

	2025 HK$'000	2024 HK$'000
Loss for the year attributable to owners of the Company	**(372,028)**	(319,337)

	2025 Number of shares	2024 Number of shares (Restated)
Weighted average number of ordinary shares in issue	**192,648,401**	185,593,579

The weighted average number of ordinary shares in issue for the years ended 31 March 2025 and 2024 have been adjusted to reflect the share consolidation (Note 34(iv)) which took effect on 13 November 2024. Accordingly, the basic and diluted loss per share for the year ended 31 March 2024 are restated.

Basic and diluted loss per share of HK$1.93 per share (2024: HK$1.72 per share (restated)) is based on the loss for the year attributable to owners of the Company of HK$372,028,000 (2024: HK$319,337,000) and the weighted average number of ordinary shares in issue detailed above. The basic and diluted loss per share for both years presented are the same as the potential ordinary shares issuable under the convertible notes, the share options and share award plan are anti-dilutive.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures, equipment and motor vehicles HK$'000	Total HK$'000
Cost:				
At 1 April 2023	7,776	74,470	11,954	94,200
Additions	–	–	1,971	1,971
Disposal	–	–	(308)	(308)
Written off	–	–	(147)	(147)
Exchange realignment	(95)	(3,634)	(372)	(4,101)
At 31 March 2024 and 1 April 2024	7,681	70,836	13,098	91,615
Disposal	–	–	(2,373)	(2,373)
Disposal of subsidiaries (Note 45)	–	(770)	(287)	(1,057)
Written off	–	(104)	(206)	(310)
Exchange realignment	(19)	(677)	(74)	(770)
At 31 March 2025	**7,662**	**69,285**	**10,158**	**87,105**
Accumulated depreciation:				
At 1 April 2023	7,046	41,026	10,835	58,907
Charge for the year	272	4,318	481	5,071
Disposal	–	–	(293)	(293)
Written off	–	–	(139)	(139)
Exchange realignment	(95)	(1,934)	(304)	(2,333)
At 31 March 2024 and 1 April 2024	7,223	43,410	10,580	61,213
Charge for the year	272	2,052	462	2,786
Disposal	–	–	(2,359)	(2,359)
Disposal of subsidiaries (Note 45)	–	(663)	(279)	(942)
Written off	–	(99)	(193)	(292)
Exchange realignment	(19)	(405)	(52)	(476)
At 31 March 2025	**7,476**	**44,295**	**8,159**	**59,930**
Carrying amount:				
At 31 March 2025	**186**	**24,990**	**1,999**	**27,175**
At 31 March 2024	458	27,426	2,518	30,402

16. CONSTRUCTION IN PROGRESS

	Mining assets in the PRC HK$'000	Manufacturing plant in the PRC HK$'000	Total HK$'000
At 1 April 2023	10,747	16,094	26,841
Additions	–	1,269	1,269
Exchange realignment	(559)	(848)	(1,407)
At 31 March 2024 and 1 April 2024	10,188	16,515	26,703
Additions	1,730	14	1,744
Exchange realignment	(122)	(176)	(298)
At 31 March 2025	**11,796**	**16,353**	**28,149**

The mining assets in the PRC represented the preliminary construction costs incurred for the development of road access to the factory buildings to be constructed for the mining business of thenardite.

The manufacturing plant in the PRC represented the preliminary construction costs incurred for the new manufacturing plant of electric vehicles in Chongqing.

The directors carried out impairment assessment on the recoverable amounts of construction in progress of the mining assets and manufacturing plant in the PRC. Based on the results of these assessments, the directors are of the opinion that there was no impairment of construction in progress as at 31 March 2025 (2024: HK$nil).

17. RIGHT-OF-USE ASSETS

An analysis of the net book values of right-of-use assets by classes of underlying assets is as follows:

	Notes	**2025 HK$'000**	2024 HK$'000
Ownership interests in leasehold land and buildings held for own use, carried at depreciated cost, with remaining lease term of between 10 and 50 years	(i)	**12,818**	13,309
Other properties leased for own use, carried at depreciated cost	(ii)	**836**	4,972
		13,654	18,281

17. RIGHT-OF-USE ASSETS (Continued)

The analysis of movement of the Group's right-of-use assets is as follows:

	Ownership interests in leasehold land and buildings held for own use HK$'000	Other properties leased for own use HK$'000	Total HK$'000
At 1 April 2023	23,074	3,646	26,720
Additions	–	4,761	4,761
Depreciation	(8,636)	(3,354)	(11,990)
Exchange realignment	(1,129)	(81)	(1,210)
At 31 March 2023 and at 1 April 2024	13,309	4,972	18,281
Depreciation	(353)	(1,644)	(1,997)
Lease termination	–	(2,490)	(2,490)
Exchange realignment	(138)	(2)	(140)
At 31 March 2025	**12,818**	**836**	**13,654**

Details of the maturity analysis of lease liabilities are set out in Note 30.

Notes:

(i) Ownership interests in leasehold land and buildings held for own use

The Group holds several industrial land and buildings for its business, where its manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the term of land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

On 18 September 2023, the local bureau issued a notice for the revocation of the land use right of the Guangxi Land (as defined in Note 19) as it remained idle since the end of 2018. Pursuant to the notice, the land use right would be revoked 15 days after the public announcement to be made by the local bureau, if the Group did not deregister its title to the Guangxi Land within 30 days after obtaining the notice. As at 31 March 2024, the land use right was already revoked and the Group had fully depreciated the right of use asset related to the Guangxi Land during the year ended 31 March 2024.

(ii) Other properties leased for own use

The Group has obtained the right to use other properties as its office premises and warehouses through tenancy agreements. The leases typically run for an initial period of two years (2024: two to five years).

18. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 March 2025 are as follows:

Name of subsidiaries	Place of incorporation/ registration and operations	Particulars of issued and paid-up capital/ paid-up registered capital	Attributable equity interest 2025	2024	Principal activities
Directly held by the Company					
China Elegance Holdings Limited[(2)]	British Virgin Islands	1,000 shares of US$1 each	**100%**	100%	Investment holding
Indirectly held by the Company					
Apex Winner Limited[(2)]	Hong Kong	HK$1	**100%**	100%	Provision of management services
CE Investment Limited[(2)]	Samoa	1 share of US$1 each	**100%**	100%	Investment holding
China Dynamics New Energy Technology Company Limited[(2)]	Hong Kong	HK$10,000	**100%**	100%	Trading of electric bus
China Elegance Resources Limited[(2)]	British Virgin Islands	1 share of US$1 each	**100%**	100%	Investment holding
China Green Dynamics Company Limited[(2)]	Hong Kong	HK$10,000	**100%**	100%	Motor vehicle trading
China Green Dynamics (Holdings) Limited[(2)]	Hong Kong	HK$100	**100%**	100%	Investment holding
Dynamic Union International Limited[(2)]	British Virgin Islands	1,000 shares of US$1 each	**51%**	51%	Investment holding
Hong Kong Cable Services Company Limited[(2)]	Hong Kong/PRC	HK$100,000	**100%**	100%	Trading of computer hardware and software, provision of computer maintenance services and software development
Pacific Pipe Coating Company Limited[(2)]	Hong Kong	HK$2	**100%**	100%	Trading of metals and minerals
Sinocop New Energy Technology (International) Company Limited[(2)]	British Virgin Islands	100 shares of US$1 each	**100%**	100%	Investment holding

18. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiaries	Place of incorporation/ registration and operations	Particulars of issued and paid-up capital/ paid-up registered capital	Attributable equity interest 2025	2024	Principal activities
South China Mining Investments Limited[2]	British Virgin Islands	100 shares of US$1 each	**100%**	100%	Investment holding
Tong Guan La Plata Company Limited[2]	British Virgin Islands	5,000 shares of US$10,000 each	**60%**	60%	Investment holding
Wise Goal Enterprises Limited[2]	Hong Kong	HK$1	**100%**	100%	Investment holding
重慶中銅新能源汽車技術有限公司 Chongqing Sinocop New Energy Vehicle Technology Company Limited[1][2]	PRC	RMB30,000,000	**100%**	100%	Investment holding and motor vehicles trading
重慶穗通新能源汽車製造有限公司 Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd.[1][2]	PRC	RMB40,000,000	**70%**	70%	Motor vehicles manufacturing and trading
重慶穗通汽車工業發展有限公司 Chongqing Suitong Vehicles Industrial Development Company Limited[1][2]	PRC	RMB10,550,100	**100%**	100%	Manufacturing of electric bus
廣西威日礦業有限責任公司 Guangxi Weiri Mining Company Limited ("Guangxi Weiri") [1][2]	PRC	RMB119,736,836	**100%**	100%	Mining and sale of mineral resources
中銅動力(天津)科技有限公司 Sinocop Development (Tianjin) Technology Company Limited[1][2]	PRC	RMB14,735,485	**100%**	100%	Battery manufacturing and trading
深圳市中動智慧新能源技術有限公司 Shenzhen New Energy Technology Company Limited[1]	PRC	RMB10,422,148	**100%**	100%	Development of new energy technology and product

(1) The English names of the subsidiaries are for identification only.

(2) The legal entity is private limited company.

The above table lists the subsidiaries of the Company, which, in the opinion of the directors of the Company, principally affected the results of the Group or constituted a substantial portion of its assets. To give details of other subsidiaries would result in particulars of excessive length.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

19. MINING ASSETS

	HK$'000
Cost:	
At 1 April 2023	2,571,636
Exchange realignment	(133,751)
At 31 March 2024 and 1 April 2025	2,437,885
Exchange realignment	(25,874)
At 31 March 2025	**2,412,011**
Accumulated impairment loss:	
At 1 April 2023	1,191,636
Impairment loss	170,631
Exchange realignment	(63,382)
At 31 March 2024 and 1 April 2024	1,298,885
Impairment loss	284,752
Exchange realignment	(16,626)
At 31 March 2025	**1,567,011**
Carrying amount:	
At 31 March 2025	**845,000**
At 31 March 2024	1,139,000

Mining assets have not been amortised since acquisition as the mine has not yet commenced operation since then.

In the opinion of management, the mining project is ongoing and is pending for the construction of a processing factory as planned upon adequate land being acquired. The Group acquired a land use right covering 63,118 square meters of land at a cost of RMB7.6 million in prior years (i.e. the Guangxi Land) and another RMB8.6 million has been paid for approximately 100,000 square meters of land for a factory site. However, the relevant land use right has not yet been issued up to the date of this report.

The local bureau had issued two notices for the revocation of the land use right of the Guangxi Land as the Guangxi Land remained idle since the end of 2018 and one of them was received by the Group on 18 September 2023. As at 31 March 2024, the land use right of the Guangxi Land was already revoked. Details are set out in Note 17(i). The Group is working closely with the local government on obtaining land use rights for the approximately 100,000 square meters of land. The mining operation will commence after obtaining the land use rights.

As at 31 March 2025 and 2024, the mining rights with a carrying amount of HK$845,000,000 (2024: HK$1,139,000,000) were frozen and sealed under a preservation order applied by the Guangxi Contractor (as defined in Note 47(a)). Details of the related litigation are set out in Note 47(a).

19. MINING ASSETS (Continued)

Impairment testing of mining assets

The directors determined the recoverable amount of the mining assets at its fair value less costs of disposal based on a valuation performed by an independent firm of professional valuers (the "Valuers") using the multi period excess earnings method.

The multi period excess earnings method is based on the projection of future cash flows of the mining business covering a sixteen-year period from 2026 to 2041 to reflect the length of time management is committed to exploit the economic benefits of the mining business of thenardite and the expected useful lives of the processing plant and machinery the Group has invested and will continue to invest. Cash flows covering the first six-year period from 2026 to 2031 are based on financial budgets approved by senior management. Cash flows beyond the six-year period are extrapolated to 2041 using an estimated weighted average income growth rate of 2.34% (2024: 2.54%), which does not exceed the geometric mean of fifteen-year average of China Producer Price Index-non ferrous Metals Mining and Dressing Year over Year. Management considers the six years period from 2026 to 2031 reflects the length of time to incur necessary capital expenditure to exploit the economic benefits of the mining business of thenardite. The projected future cash flows are discounted to its present value by the appropriate discount rate determined from market data.

Below are the key assumptions used for the multi period excess earnings method:

	2025	2024
Thenardite price per ton	**RMB681**	RMB752
Required rate of return for working capital	**3.68%**	3.68%
Required rate of return for fixed assets	**11.92%**	12.55%
Required rate of return for assembled workforce	**17.58%**	18.41%
Post-tax discount rate	**23.08%**	23.91%
Income growth rate within the projected period	**2.34%**	2.54%
Costs growth rate within the projected period	**1.21%**	1.38%

Management determined the thenardite price based on relevant data obtained from third party's quotation and market research report performed by third party organisation pertaining to the mining business in Guangxi. The income growth rate represents the expected inflation rate based on the China Producer Price Index for non-metal minerals from 2011 to 2025 and the costs growth rate represents the China Producer Price Index from 2002 to 2025. Management believes the Group can attain maximum production capacity based on planned resources within seven years of commercial production and sustain such capacity throughout the remaining projected period. The discount rate used reflects the specific risks associated with the mining business of thenardite.

The fair value of the mining assets was estimated using unobservable market data to derive the projected future cash flows of the businesses over its economic useful life and is classified within level 3 of the fair value hierarchy.

As at 31 March 2025, the recoverable amount of the mining assets was HK$845.0 million (2024: HK$1,139.0 million), which was lower than its carrying value of HK$1,129.8 million (2024: HK$1,309.6 million), and hence an impairment loss of HK$284,752,000 was recognised in the profit or loss (2024: HK$170,631,000).

20. OTHER INTANGIBLE ASSETS

	Technical know-how HK$'000	Industrial proprietary rights HK$'000	Total HK$'000
Cost:			
At 1 April 2023	34,671	21,653	56,324
Exchange realignment	(2,077)	(1,126)	(3,203)
At 31 March 2024 and 1 April 2024	32,594	20,527	53,121
Exchange realignment	(402)	(218)	(620)
At 31 March 2025	**32,192**	**20,309**	**52,501**
Accumulated amortisation and impairment loss:			
At 1 April 2023	34,671	15,871	50,542
Charge for the year	–	1,857	1,857
Exchange realignment	(2,077)	(840)	(2,917)
At 31 March 2024 and 1 April 2024	32,594	16,888	49,482
Charge for the year	–	1,838	1,838
Exchange realignment	(402)	(195)	(597)
At 31 March 2025	**32,192**	**18,531**	**50,723**
Carrying amount:			
At 31 March 2025	**–**	**1,778**	**1,778**
At 31 March 2024	–	3,639	3,639

Technical know-how on the use of aluminium body frame for electric bus and industrial proprietary rights

Technical know-how on the use of aluminium body frame for electric bus was acquired as part of the acquisition of Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. in the prior year and has an estimated useful life of 5 years, over which the asset is amortised.

The industrial proprietary rights are related to the exclusive rights in production of specific electric vehicles acquired during the years ended 31 March 2017 and 2016.

Both technical know-how on the use of aluminium body frame and industrial proprietary rights were allocated to the CGU of the development of electric vehicles ("EV CGU"). The directors determined the recoverable amount of EV CGU from its fair value less costs of disposal calculation based on a valuation performed by the Valuers.

20. OTHER INTANGIBLE ASSETS (Continued)

Technical know-how on the use of aluminium body frame for electric bus and industrial proprietary rights (Continued)

Below are the key assumptions used for the fair value less costs of disposal calculation as at 31 March 2025:

	2025	2024
Adjusted unit price per square meter for land	**HK$307**	HK$320
Construction cost per square meter for buildings	**HK$1,814 to HK$2,907**	HK$1,879 to HK$3,004

The fair value less costs of disposal of EV CGU as at 31 March 2025 was estimated using unobservable market data to derive the fair value of major non-current assets composing EV CGU using replacement cost approach and direct comparison approach and is a level 3 fair value measurement.

As the recoverable amount of EV CGU exceeded the carrying amount of the EV CGU's non-current assets, which comprises property, plant and equipment of approximately HK$27,100,000 (2024: HK$30,326,000), right-of-use assets of approximately HK$13,654,000 (2024: HK$18,146,000), construction in progress of approximately HK$16,353,000 (2024: HK$16,515,000), other intangible assets of approximately HK$1,778,000 (2024: HK$3,639,000) and other non-current assets, the directors are of the opinion that there was no impairment on the assessed non-current assets as at 31 March 2025 (2024: HK$nil).

21. INVESTMENT IN AN ASSOCIATE AND AMOUNT DUE FROM AN ASSOCIATE

	2025 **HK$'000**	2024 HK$'000
Share of net assets	–	2,451
Less: Accumulated impairment loss	–	(2,451)
	–	–

During the year ended 31 March 2024, the directors performed an impairment review on the investment. In the opinion of the directors, due to the slow growth and high barriers to entry of the electric vehicles market in Japan, the recoverable amount of the investment is assessed to be minimal. Accordingly, an impairment loss of HK$2,451,000 was recognised during the year ended 31 March 2024. The investment in an associate belonged to the segment of development of electric vehicles. On 30 May 2024, the Group disposed of its 49% equity interest of Japan Dynamic to an independent third party at a consideration of JPY10,000 (equivalent to HK$485).

(a) Details of the Group's associate is as follows:

Name	**Particulars of issued shares held**	**Place of incorporation/ registration and operations**	**Percentage of ownership interest attributable to the Group 2025**	**2024**	**Principal activities**
Japan Dynamics Company Limited ("Japan Dynamics")	Ordinary shares	Japan	–	49%	Development of new energy technology and product

21. INVESTMENT IN AN ASSOCIATE AND AMOUNT DUE FROM AN ASSOCIATE (Continued)

(a) Details of the Group's associate is as follows: (Continued)

The following table illustrates the financial information of the Group's associate that is not individually material:

	2025 **HK$'000**	2024 HK$'000
Share of the associate's loss for the year	–	412
Share of the associate's other comprehensive income	–	–
Share of the associate's total comprehensive income	–	412
Carrying amount of the investment in the associate (before impairment)	–	2,451

(b) Amount due from an associate is interest-free, unsecured and expected to be repayable more than one year. During the year ended 31 March 2024, a full impairment in respect of the gross carrying amount of HK$6,097,000 was recognised in profit or loss. During the year, the balance was reclassified to other receivable since Japan Dynamic ceased to be the associate of the Group in May 2024.

22. FINANCIAL ASSETS AT FVTPL

	2025 **HK$'000**	2024 HK$'000
Financial assets at FVTPL comprise:		
Unlisted equity investments outside Hong Kong	–	27,008

Note:

As at 31 March 2025, the Group held 1,195 (2024: 3,861) shares of Quantron AG ("Quantron"), a company incorporated in Germany with limited liability and principally engaged in e-mobility in inner-city and regional passenger and freight transport. The shares held represented 1.7% (2024: 5.47%) equity interest in Quantron. As at 31 March 2025, the 1,195 shares in Quantron in the process of transferring back to the Group from an independent third party because of administrative reason. In the opinion of the Directors, the Group contractually has legal ownership on these shares.

During the year ended 31 March 2024, pursuant to a termination agreement date 13 November 2023 entered into between the Company and an independent third party (the "First Purchaser"), the First Purchaser was no longer required to settle the outstanding consideration receivable of HK$25,518,000 for 3,238 shares of Quantron disposed of by the Group to the First Purchaser in the year ended 31 March 2023 as long as it returns 2,463 shares to the Group and acquired 775 shares at a consideration of EUR900,000. As a result, the other receivable was derecognised on that date and a loss on derecognition of HK$1,858,000 representing the difference between the net carrying value of the receivable and the fair value of the returned shares of HK$23,740,000 (Note 43) was recognised in profit or loss.

On the same date, the Company entered into a sale and purchase agreement with another independent third party (the "Second Purchaser") to dispose of 4,521 shares of Quantron for a consideration of EUR1,000,000 (equivalent to HK$8,300,000). A realised loss on disposal of HK$35,277,000 was recognised in profit or loss following these sales transactions during the year ended 31 March 2024.

During the current year, pursuant to a supplement agreement dated 4 June 2024 entered into between the Company and an independent third party lender (the "Lender") (Note 29(ii)), the Company agreed to transfer the collateral of 2,666 shares in Quantron to the Lender as full settlement of the other borrowing. The transfer of the shares to the Lender was completed on 18 June 2024. The loss on disposal of financial assets at FVTPL of HK$11,600,000 representing the difference between the fair value of the shares and the carrying amount of the other borrowing at the date of transfer of the shares was recognised in profit or loss during the current year.

On 29 October 2024, the Augsburg judiciary officially announced the opening of insolvency proceedings against Quantron. The Directors considered the fair value of the shares as at 31 March 2025 to be minimal following the event.

The fair value of the financial assets at FVTPL at the end of the reporting period was determined based on level 3 of fair value hierarchy as detailed in Note 43.

23. INVENTORIES

	2025 HK$'000	2024 HK$'000
Raw materials	**4,665**	4,773
Work in progress	**4,750**	3,894
Finished goods	**4,293**	7,430
	13,708	16,097

24. TRADE RECEIVABLES

	2025 HK$'000	2024 HK$'000
Trade receivables	**34,519**	39,374
Less: Accumulated impairment losses	**(28,705)**	(25,927)
Trade receivables, net	**5,814**	13,447

The ageing analysis of trade receivables, net at the end of the reporting period, based on the invoice date, was as follows:

	2025 HK$'000	2024 HK$'000
More than 1 year	**5,814**	13,447

The average credit period on sales of electric vehicles is 30-365 days from the invoice date, except for a customer with carrying amount of receivables amounted to HK$5,635,000 (2024: HK$11,249,000), which bear interest at 5% per annum and repayable by monthly instalments in 5 years from the date on which the related goods were delivered and accepted by the customer.

The Group recognised impairment losses based on the accounting policy stated in Note 4(h)(ii). Further details of the Group's credit policy and credit risk arising from trade receivables are set out in Note 42.

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 HK$'000	2024 HK$'000
Other receivables, net of impairment	**5,861**	5,386
VAT recoverable	**7,740**	8,117
Deposits	**2,025**	1,936
Prepayments (Note)	**17,482**	34,528
	33,108	49,967
Less: Non-current portion		
Prepayments to acquire land use right	**(11,343)**	(11,464)
	21,765	38,503

Note:

As at 31 March 2024, the balance included a prepayment of HK$15,798,000 to an independent supplier for the purchase of electric vehicles for sale purposes. The prepayment was written off to profit or loss during the current year as the balance is considered to be irrecoverable.

26. ACCOUNTS PAYABLE

The ageing analysis of accounts payable at the end of the reporting period, based on the invoice date, was as follows:

	2025 HK$'000	2024 HK$'000
	65	–
31 – 90 days	**1**	1
91 – 180 days	**–**	10
181 – 365 days	**–**	1
More than 1 year	**5,606**	7,196
	5,672	7,208

The credit period from the Group's trade creditors ranged from 30 days to 180 days.

27. OTHER PAYABLES AND ACCRUALS

	2025 HK$'000	2024 HK$'000
Accrued staff costs (Note)	**11,227**	7,595
Payables for property, plant and equipment and construction in progress	**2,670**	2,699
Provision for compensations to suppliers and contractors	**11,118**	3,151
Other payables and accruals	**11,413**	16,451
Deposit received related to the Suitong Disposal (as defined Note 46)	**36,449**	36,840
	72,877	66,736

Note:

As at 31 March 2025, the balance included amounts due to the directors of the Company in aggregate amount of HK$9,066,000 (2024: HK$4,383,000). The amounts are interest-free, unsecured and repayable on demand.

28. CONTRACT ASSETS/CONTRACT LIABILITIES

Contract Assets

Certain portion of the consideration from the sales of electric vehicles of the Group will be receivable from the PRC government by the way of national subsidies in accordance with the Circular on Financial Support Policies for the Promotion and Application of New Energy Vehicles 2016-2020 (Cai Jian [2015] 134) and other relevant and applicable government's notices and policies promulgated by the PRC government, and the sales contracts made between the Group and these customers. As at 31 March 2025 and 2024, the subsidy receivables from the PRC government, net of impairment losses, amounting to HK$197,000 and HK$12,723,000, respectively, were subject to the relevant subsidy policies and were not unconditional. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The expected loss rate for the measurement of the expected credit losses of the contract assets is considered to be low as the counterparty is the PRC government. The expected loss rate of contract assets reflects the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions.

Contract Liabilities

The contract liabilities represented the receipt in advance from certain customers for the sale of electric vehicles. Amounts included in contract liabilities at the beginning of the year that was recognised as revenue during the period amounted to HK$1,342,000 (2024: HK$14,599,000).

The Group has applied the practical expedient in HKFRS 15.121(a) which exempts the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date for its sales contracts for electric vehicles as the performance obligations had an original expected duration of one year or less.

29. BANK AND OTHER BORROWINGS

	2025 HK$'000	2024 HK$'000
Secured		
Bank loan due for repayment within one year (Note (i))	–	4,876
Other borrowing (Note (ii))	–	5,016
	–	9,892

Notes:

(i) During the year, the effective interest rate of the Group's bank loan was 5% per annum (2024: 5% per annum). Right-of-use assets with net carrying amount of HK$13,309,000 or RMB12,283,000 and plant and machinery with net carrying amount of HK$19,584,000 or RMB18,074,000 equivalent were pledged for the Group's banking facilities in connection with the bank loan as at 31 March 2024. The bank loan was fully repaid during the current year.

At the end of the reporting period, total bank loan was scheduled to be repaid as follows:

	2025 HK$'000	2024 HK$'000
On demand or within one year	–	4,876

The banking facility was subject to the fulfilment of covenants, as are commonly found in lending arrangement with financial institutions. If the covenants were breached, the bank loan would become repayable on demand. The bank loan did not contain clauses which gave the bank the right at its sole discretion to demand immediate repayment at any time as long as the covenants were complied with and the scheduled repayment obligations were met.

The Group made scheduled repayments timely and management regularly monitors its compliance with these covenants. As at 31 March 2024, none of the covenants relating to the bank loan had been breached. Further details of the Company's management of liquidity risk are set out in Note 42.

(ii) The balance was other borrowing of EUR594,339 (equivalent to approximately HK$5,016,000) from the Lender. The other borrowing was secured by 2,666 shares of or 3.78% equity interest in Quantron held by the Group with carrying amount of EUR2,210,000 (equivalent to approximately HK$18,649,000) as at 31 March 2024 and repayable in June 2024. On 18 June 2024, the other borrowing was fully settled by the Group's transferring of the 2,666 shares of Quantron to the Lender.

30. LEASE LIABILITIES

The Group as a lessee

The Group leases a number of properties in the PRC and Hong Kong. The lease payments are fixed over the lease term and there are no renewal options, variable lease payments nor restrictions or covenants included in these lease agreements.

The Group also regularly entered into short-term leases for office premises and car parking space. The Group does not recognise right-of-use assets and lease liabilities in regard of these short-term leases. The Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease terms.

The following table shows the remaining contractual maturities of the Group's lease liabilities at 31 March 2025 and 2024:

	2025		2024	
	Present value HK$'000	**Future lease payments HK$'000**	Present value HK$'000	Future lease payments HK$'000
Not later than 1 year	**2,281**	**2,297**	4,648	4,835
Later than 1 year and not later than 2 years	**–**	**–**	2,026	2,076
Later than 2 years and not later than 5 years	**–**	**–**	187	189
	2,281	**2,297**	6,861	7,100
Less: total future interest expenses		**(16)**		(239)
Present value of lease liabilities		**2,281**		6,861

	2025 HK$'000	2024 HK$'000
Analysed as:		
Current	**2,281**	4,648
Non-current	**–**	2,213
	2,281	6,861

31. DEFERRED TAX LIABILITIES

Details of the deferred tax liabilities recognised and movement during the current and prior year:

	Fair value adjustment of land and building arising from business combination HK$'000
At 1 April 2023	4,522
Credited to profit or loss	(122)
Exchange alignment	(234)
At 31 March 2024 and 1 April 2024	4,166
Credited to profit or loss	(121)
Exchange alignment	(43)
At 31 March 2025	**4,002**

32. LOANS FROM SHAREHOLDERS

The loans are unsecured, interest-free and repayable on demand or within one year.

33. CONVERTIBLE NOTES

Zero-coupon convertible notes (the "Old Convertible Notes")

On 28 February 2014, the Company issued the Old Convertible Notes at a principal amount of HK$2,910,000,000 as part of the consideration for the acquisition of a group of companies holding mining license. The Old Convertible Notes have a maturity period of ten years from the date of issue and can be converted into ordinary shares of the Company at HK$7.50 at the option of the holders of the Old Convertible Notes subject to the conversion restriction set out in the terms of the Old Convertible Notes in relation to the compliance with the relevant requirements of the Hong Kong Code on Takeovers and Mergers and the Listing Rules. The Company shall have the right to redeem the entire or part of the principal amount of the Old Convertible Notes on or before the maturity date but not the holder of the Old Convertible Notes.

The Company has the option to issue conversion shares at the conversion price on the maturity date or to redeem the outstanding principal amount of the Old Convertible Notes. The Old Convertible Notes are an equity instrument as the Company has no obligation to settle in cash or another financial assets. The fair value of the Old Convertible Notes as at 28 February 2014 amounted to HK$2,570,158,000 was credited to the "convertible notes equity reserve" on the issuance of the Old Convertible Notes.

33. CONVERTIBLE NOTES (Continued)

Zero-coupon convertible notes (the "Old Convertible Notes") (Continued)

Details of Old Convertible Notes outstanding are as follows:

	Principal amount HK$'000	Number of conversion shares	Convertible notes equity reserve HK$'000
Balance as at 1 April 2022, 31 March 2023 and 1 April 2023	7,500	10,000,000	6,625
Share consolidation (Note (i))	–	(9,000,000)	–
Transfer to accumulated losses on maturity date (Note (ii))	–	–	(6,625)
Balance as at 31 March 2024 (Note (ii))	7,500	1,000,000	–
Settlement by shares purchased from open market (Note (ii))	(7,500)	(1,000,000)	–
Balance as at 31 March 2025	–	–	–

Convertible notes issued during the current year (the "2024 Convertible Notes")

On 13 September 2024, the Company issued the 2024 Convertible Notes at a principal amount of HK$5,000,000 which carries interest at 4% per annum. Interest will be paid semi-annually on 30 June and 31 December in each year. The 2024 Convertible Notes have a maturity period of two years from the date of issue and can be converted into ordinary shares of the Company at HK$0.5 per share (after adjustment for the share consolidation (Note 34(iv)) or HK$0.1 per share (before adjustment for the share consolidation) at the option of the holder from the date falling on the third monthiversary of the issue date of the 2024 Convertible Notes to the maturity date, subject to the conversion restriction set out in the terms of the 2024 Convertible Notes in relation to the compliance with the relevant requirements of the Hong Kong Code on Takeovers and Mergers and the Listing Rules. The Company has the right to redeem the entire or part of the principal amount of the 2024 Convertible Notes at a redemption amount equal to the principal amount outstanding on or before the maturity date but not the holder of the 2024 Convertible Notes.

The 2024 Convertible Notes that contain liability and conversion option components were classified separately into their respective items on initial recognition. The fair value of the liability component was determined based on the valuation conducted by the Valuers at the issue date (i.e. 13 September 2024). The fair value of the 2024 Convertible Notes as a whole is determined by using the Binomial Option Pricing Model. The fair value of the liability component of the 2024 Convertible Notes is calculated using cash flows discounted at a rate based on an equivalent market interest rate for equivalent non-convertible notes.

The initial carrying amount of the equity component was determined by deducting the fair value of the liability component from the fair value of the 2024 Convertible Notes as a whole and was included in equity as convertible notes equity reserve.

The effective interest rate of the liability component on initial recognition and the subsequent recognition of interest expense on the 2024 Convertible Notes was calculated using effective interest rate of 7.7% per annum.

There was no redemption and conversion of the 2024 Convertible Notes since its issuance.

33. CONVERTIBLE NOTES (Continued)

Convertible notes issued during the current year (the "2024 Convertible Notes") (Continued)

Details of the 2024 Convertible Notes outstanding are as follows:

	Principal amount HK$'000	Number of conversion shares	Convertible notes – liability component HK$'000	Convertible notes equity reserve HK$'000
Balance as at 1 April 2024	–	–	–	–
Issue of the 2024 Convertible Notes	5,000	50,000,000	4,676	324
Share consolidation (Note (iii))	–	(40,000,000)	–	–
Imputed interest	–	–	134	–
Balance as at 31 March 2025	–	10,000,000	4,810	324

Notes:

(i) Pursuant to the terms of the subscription agreement of the Old Convertible Notes, the conversion price of the Old Convertible Notes and the number of conversion shares issuable upon exercise of the conversion rights attaching to the Old Convertible Notes have been adjusted with effect from 13 October 2023 following the share consolidation (Note 34(i)) became effective.

(ii) No conversion of the Old Convertible Notes during both years despite the maturity of the Old Convertible Notes on 27 February 2024. On 14 February 2024, the Company sent a written notification to one holder (the "Noteholder") holding the outstanding Old Convertible Notes with principal amount of HK$7,500,000 for the issuance of 1,000,000 conversion shares. As there was no acknowledgement from the Noteholder until the maturity date, no conversion shares were allotted or issued. On 25 April 2024, the Company and the Noteholder entered into an agreement to settle the outstanding Old Convertible Notes by purchasing 1,000,000 shares from the open market to be transferred to the Noteholder and the Company incurred HK$99,000 in purchasing that 1,000,000 shares. As the conversion options embedded in the Old Convertible Notes remain unexercised on the maturity date, the remaining balance in convertible notes equity reserve has been transferred to accumulated losses in accordance with the accounting policy of the Company.

(iii) Pursuant to the terms of the subscription agreement of the 2024 Convertible Notes, the conversion price of the 2024 Convertible Notes and the number of conversion shares issuable upon exercise of the conversion rights attaching to the 2024 Convertible Notes have been adjusted with effect from 13 November 2024 following the share consolidation (Note 34(iv)) became effective.

34. SHARE CAPITAL

	2025 Number of shares	2025 HK$'000	2024 Number of shares	2024 HK$'000
Ordinary shares of HK$0.05 (2024: HK$0.1) each				
Authorised:				
At beginning of the year	**5,000,000,000**	**500,000**	50,000,000,000	500,000
Capital Reorganisation (Note (ii))	**45,000,000,000**	**–**	–	–
2023 Share Consolidation (Note (i))	**–**	**–**	(45,000,000,000)	–
2024 Share Consolidation (Note (iv))	**(40,000,000,000)**	**–**	–	–
At end of the year	**10,000,000,000**	**500,000**	5,000,000,000	500,000
Issued and fully paid:				
At beginning of the year	**927,967,897**	**92,796**	9,279,678,975	92,796
Capital Reorganisation (Note (ii))	**–**	**(83,517)**	–	–
Issue of rights shares (Note (iii))	**25,577,651**	**256**	–	–
Issue of shares under placing (Note (iii))	**46,350,000**	**463**	–	–
2023 Share Consolidation (Note (i))	**–**	**–**	(8,351,711,078)	–
2024 Share Consolidation (Note (iv))	**(799,916,439)**	**–**	–	–
At end of the year	**199,979,109**	**9,998**	927,967,897	92,796

34. SHARE CAPITAL (Continued)

Notes:

(i) On 13 October 2023, the Company underwent a share consolidation for every ten (10) issued and unissued ordinary shares of the Company be consolidated into one (1) ordinary share of the Company whereby the par value of all the then issued and unissued consolidated shares increases from HK$0.01 to HK$0.1 each (the "2023 Share Consolidation"). Immediately after the 2023 Share Consolidation became effective, there were 927,967,897 shares in issue.

(ii) On 19 August 2024, the Company conducted a capital reorganisation (the "Capital Reorganisation") that was approved by the shareholders of the Company in the special general meeting held on 15 August 2024. Pursuant to the Capital Reorganisation, (i) the issued share capital of the Company is reduced from HK$0.1 to HK$0.01 per share; and (ii) each of the authorised but unissued existing share of par value of HK$0.1 each is subdivided into ten authorised but unissued adjusted shares of par value of HK$0.01 each. Credit arising from the Capital Reorganisation of approximately HK$83,517,000 be applied towards offsetting accumulated losses of the Company. The number of authorised shares of the Company was adjusted from 5,000,000,000 ordinary shares at HK$0.1 each to 50,000,000,000 ordinary shares at HK$0.01 each immediately after the Capital Reorganisation.

(iii) A right issue was conducted on the basis of three right shares for every two ordinary shares of the Company at a subscription price of HK$0.095 per rights share. The Company received for a total of 25,577,651 right shares application which was valid. For the remaining unissued right shares, the Company has, pursuant to Rule 7.21(1)(b), made compensatory arrangements by entering into a placing agreement for placees to subscribe for the remaining right shares. On 30 September 2024, 46,350,000 unsubscribed shares were placed at the price of HK$0.095 per share under the placing agreement. On 9 October 2024, the Company announced that a total of 71,927,651 rights shares were allotted and issued. Gross proceeds raised from the rights issue were approximately HK$6,833,000 and the net proceeds from the rights issue were approximately HK$6,698,000. The Company accounted for increase of share capital by approximately HK$719,000 and share premium of approximately HK$5,979,000 (after deducted directly attributable share issuing expenses). Details of the results of the rights issues are set out in the Company's announcements dated 20 September 2024 and 9 October 2024.

(iv) On 13 November 2024, the Company underwent a share consolidation for every five (5) issued and unissued ordinary shares of the Company be consolidated into one (1) ordinary share of the Company whereby the par value of all the then issued and unissued consolidated shares increases from HK$0.01 to HK$0.05 each (the "2024 Share Consolidation"). The number of then issued ordinary shares of the Company were 999,895,548 ordinary shares at HK$0.01 each were consolidated into 199,979,109 ordinary shares at HK$0.05 each immediately after the 2024 Share Consolidation became effective.

Subsequence to the end of the financial year on 9 May 2025, the Company placed an aggregate of 27,000,000 placing shares at HK$0.30 per placing share to few placees. The net proceeds (deducting directly related expenses) from the placing are approximately HK$7.8 million which intends to be used for general working capital purpose.

35. SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme

A share option scheme was adopted by an ordinary resolution of the shareholders at annual general meeting of the Company on 30 August 2013 (the "2013 Share Option Scheme"). The 2013 Share Option Scheme is governed by Chapter 17 of the Listing Rules and would remain in force for 10 years from the adoption date on 30 August 2013.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 August 2023 (the "Adoption Date"), the Company's new share option scheme (the "2023 Share Option Scheme") was adopted. The 2023 Share Option Scheme is governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from the Adoption Date.

The total number of shares in respect of which options may be granted under the 2023 Share Option Scheme was 18,559,357 shares (after the effect on 2024 Share Consolidation), representing 10% of the issued share capital of the Company. There is no material change of the terms under the 2023 Share Option Scheme.

No share options were granted during both years.

The movements in the number of share options during the year were as follows:

Date of offer of grant	At 01/04/2023	Adjusted during the year	At 31/03/2024	Forfeited/ lapsed during the year	Adjusted during the year	At 31/03/2025	Adjusted exercise price after the 2023 Share Consolidation	Adjusted exercise price after the 2024 Share Consolidation and rights issue	Exercise period	Vesting period
11/04/2014	34,000,000	(30,600,000)	3,400,000	(3,400,000)	–	–	HK$11.5	N/A	12/04/2016 to 10/04/2024	12/04/2014 to 12/04/2020
10/03/2016	261,100,000	(234,990,000)	26,110,000	–	(21,232,308)	4,877,692	HK$3.0	HK$16.05	10/03/2016 to 09/03/2026	10/03/2016 to 11/03/2020
25/02/2021	259,000,000	(233,100,000)	25,900,000	(9,000,000)	(13,742,858)	3,157,142	HK$1.3	HK$6.59	25/02/2021 to 25/02/2031	N/A
20/12/2022	370,000,000	(333,000,000)	37,000,000	(9,130,769)	(22,769,231)	5,100,000	HK$0.38	HK$2.05	20/12/2022 to 19/12/2032	N/A
	924,100,000	(831,690,000)	92,410,000	(21,530,769)	(57,744,397)	13,134,834				

35. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Share option scheme (Continued)

The exercise prices and numbers of share options have been adjusted due to placement of shares under rights issue, the 2023 Share Consolidation and the 2024 Share Consolidation.

The weighted average remaining contractual life of options outstanding at the end of the year was 4.77 years (2024: 5.95 years). The weighted average exercise price of options outstanding at the end of the year was HK$8.43 (after adjustments of the 2024 Share Consolidation and the rights issue) (2024: HK$1.8 (after adjustment of the 2023 Share Consolidation)).

13,134,834 (after adjustment of the 2024 Share Consolidation and the rights issue) (2024: 92,410,000 (after adjustment of the 2023 Share Consolidation)) share options were exercisable at the end of the year.

There was no exercise of share options during the years ended 31 March 2025 and 2024.

Share award plan

The Company adopted a share award plan ("the Share Award Plan") on 8 May 2019.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 August 2023, the Company's Share Award Plan was amended and restated. The amended and restated rules relating to the Share Award Plan is governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from 8 May 2019. There is no material change of the terms under the Share Award Plan.

No share awards were granted by the Company during both years.

36. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the "CONSOLIDATED STATEMENT OF CHANGES IN EQUITY" on page 69 of the annual report.

The nature and purposes of reserves are set out below:

(a) Share premium

The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981 (as amended) (the "Companies Act 1981").

(b) Contributed surplus

The contributed surplus represents the excess of the fair value of the shares of the subsidiary acquired over the nominal value of the Company's shares issued in exchange thereof, at the time of the Group reorganisation in preparation for the listing of the Company's shares.

Under the Companies Act 1981, contributed surplus is available for distributions to its equity holders. However, the Company cannot declare or pay a dividend or make a distribution out of contributed surplus if:

- it is or would after the payment be unable to pay its liabilities as they fall due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(c) Share options reserve

Share options reserve comprises the fair value of the estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy set out in Note 4(p).

(d) Foreign currency translation reserve

Foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 4(n).

(e) Capital reserve

Capital reserve represents the excess of the net assets of the subsidiaries acquired by the Group from its shareholder over the consideration paid. The excess is accounted for as contributions from shareholder and credited to capital reserve.

(f) Convertible notes equity reserve

The balance represents the equity component of outstanding convertible notes issued by the Company recognised in accordance with the accounting policy set out in Note 4(h)(vi).

36. RESERVES (Continued)

(g) Movement of reserves of the Company

	Share premium HK$'000	Contributed surplus HK$'000	Convertible notes equity reserve HK$'000 (Note 33)	Share options reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	3,970,029	87,109	6,625	80,421	(2,743,142)	1,401,042
Loss for the year and total comprehensive income	–	–	–	–	(420,608)	(420,608)
Expiration of the Old Convertible Notes	–	–	(6,625)	–	6,625	–
At 31 March 2024 and 1 April 2024	3,970,029	87,109	–	80,421	(3,157,125)	980,434
Loss for the year and total comprehensive income	–	–	–	–	(328,570)	(328,570)
Issue of shares (Note 34(iii))	5,979	–	–	–	–	5,979
Settlement of the Old Convertible Notes by shares purchased from open market (Note 33)	–	–	–	–	(99)	(99)
Issue of the 2024 Convertible Notes (Note 33)	–	–	324	–	–	324
Lapsed share options	–	–	–	(7,753)	7,753	–
Forfeited share options	–	–	–	(21,286)	21,286	–
Capital Reorganisation (Note 34(ii))	–	–	–	–	83,517	83,517
At 31 March 2025	**3,976,008**	**87,109**	**324**	**51,382**	**(3,373,238)**	**741,585**

37. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests. The non-controlling interests of all other subsidiaries are considered to be immaterial.

Name of subsidiaries	Proportion of ownership interests held by non-controlling interests 2025	2024
Dynamic Union International Limited	**49%**	49%
Tong Guan La Plata Company Limited	**40%**	40%
Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd.	**30%**	30%

Summarised financial information in respect of the Company's subsidiaries that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intra-group eliminations.

37. NON-CONTROLLING INTERESTS (Continued)

	2025 HK$'000	2024 HK$'000
Dynamic Union International Limited		
Current assets	**1**	728
Current liabilities	**(20,998)**	(21,413)
Equity attributable to owners of the Company	**(10,708)**	(10,549)
Non-controlling interests	**(10,289)**	(10,136)
Revenue	**–**	–
Loss for the year	**(312)**	(27)
Loss attributable to owners of the Company	**(159)**	(14)
Loss attributable to the non-controlling interests	**(153)**	(13)
Loss for the year	**(312)**	(27)
Other comprehensive income attributable to owners of the Company	**–**	–
Other comprehensive income attributable to the non-controlling interests	**–**	–
Other comprehensive income for the year	**–**	–
Total comprehensive income attributable to owners of the Company	**(159)**	(14)
Total comprehensive income attributable to the non-controlling interests	**(153)**	(13)
Total comprehensive income for the year	**(312)**	(27)
Net cash outflow from operating activities	**(307)**	–
Net cash outflow from investing activities	**(117)**	–
Net cash inflow from financing activities	**423**	–
Net cash outflow	**(1)**	–

37. NON-CONTROLLING INTERESTS (Continued)

	2025 HK$'000	2024 HK$'000
Tong Guan La Plata Company Limited		
Current assets	**72,505**	71,992
Non-current assets	**–**	–
Current liabilities	**(22,344)**	(21,866)
Equity attributable to owners of the Company	**44,257**	44,236
Non-controlling interests	**5,904**	5,890
Revenue and other income	**16**	16
Loss for the year	**(300)**	(1,336)
Loss attributable to owners of the Company	**(180)**	(802)
Loss attributable to the non-controlling interests	**(120)**	(534)
Loss for the year	**(300)**	(1,336)
Other comprehensive income attributable to owners of the Company	**201**	2,185
Other comprehensive income attributable to the non-controlling interests	**134**	1,457
Other comprehensive income for the year	**335**	3,642
Total comprehensive income attributable to owners of the Company	**21**	1,383
Total comprehensive income attributable to the non-controlling interests	**14**	923
Total comprehensive income for the year	**35**	2,306
Net cash inflow/(outflow) from operating activities	**76**	(47)
Net cash inflow from investing activities	**–**	2
Net cash inflow from financing activities	**4**	19
Net cash inflow/(outflow)	**80**	(26)

37. NON-CONTROLLING INTERESTS (Continued)

	2025 HK$'000	2024 HK$'000
Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd.		
Current assets	**17,261**	38,384
Non-current assets	**53,895**	56,742
Current liabilities	**(133,557)**	(152,705)
Non-current liabilities	**(4,002)**	(4,166)
Equity attributable to owners of the Company	**(46,482)**	(43,221)
Non-controlling interests	**(19,921)**	(18,524)
Revenue	**–**	1,624
Loss for the year	**(5,358)**	(22,078)
Loss attributable to owners of the Company	**(3,751)**	(15,455)
Loss attributable to the non-controlling interests	**(1,607)**	(6,623)
Loss for the year	**(5,358)**	(22,078)
Other comprehensive income attributable to owners of the Company	**490**	2,320
Other comprehensive income attributable to the non-controlling interests	**210**	994
Other comprehensive income for the year	**700**	3,314
Total comprehensive income attributable to owners of the Company	**(3,261)**	(13,135)
Total comprehensive income attributable to the non-controlling interests	**(1,397)**	(5,629)
Total comprehensive income for the year	**(4,658)**	(18,764)
Net cash inflow from operating activities	**10,689**	12,459
Net cash outflow from investing activities	**(11,837)**	(1,275)
Net cash outflow from financing activities	**(4,893)**	(923)
Net cash (outflow)/inflow	**(6,041)**	10,261

38. STATEMENT OF FINANCIAL POSITION OF COMPANY

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Interests in subsidiaries	18	**760,141**	1,052,360
Total non-current assets		**760,141**	1,052,360
Current assets			
Other receivables and prepayments		**328**	354
Financial assets at FVTPL		**–**	27,008
Cash and bank balances		**202**	1,816
Total current assets		**530**	29,178
Total assets		**760,671**	1,081,538
Current liabilities			
Accruals		**3,861**	3,292
Amount due to a subsidiary		**417**	–
Other borrowing		**–**	5,016
Total current liabilities		**4,278**	8,308
Net current (liabilities)/assets		**(3,748)**	20,870
Total assets less current liabilities		**756,393**	1,073,230
Non-current liabilities			
Convertible notes		**4,810**	–
Total liabilities		**9,088**	8,308
NET ASSETS		**751,583**	1,073,230
Equity			
Share capital	34	**9,998**	92,796
Reserves	36(g)	**741,585**	980,434
TOTAL EQUITY		**751,583**	1,073,230

On behalf of the Board

Cheung Ngan
Director

Chan Hoi Ying
Director

39. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments contracted but not provided for in these consolidated financial statements:

	2025 HK$'000	2024 HK$'000
Acquisition of property, plant and equipment	17,979	18,943
Capital expenditure in respect of the construction of the ores processing plant	3,677	3,673
Capital expenditure in respect of the mining operations	17,162	17,346
Capital expenditure in respect of the development of electric vehicles	19	779
	38,837	40,741

40. RELATED PARTY TRANSACTIONS

Members of key management personnel during the year comprised only of the Company's directors whose remuneration is set out in Note 9.

Save for disclosed above and elsewhere in these consolidated financial statements, the Group did not have material transactions with its related parties during both years.

41. CAPITAL MANAGEMENT

The Group's objective of managing capital is to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debts (which include loans from shareholders, bank and other borrowings, convertible notes – liability component and lease liabilities) and equity attributable to owners of the Company, comprising share capital and reserves.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares as well as raising new debts and redemption of existing debt.

The gearing ratio at the end of reporting period was as follows:

	2025 HK$'000	2024 HK$'000
Loans from shareholders	11,577	12,277
Bank and other borrowings	–	9,892
Convertible notes – liability component	4,810	–
Lease liabilities	2,281	6,861
	18,668	29,030
Equity attributable to owners of the Company	872,618	1,246,213
Gearing ratio	2.14%	2.33%

42. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate and foreign currency risks arise in the normal course of the Group's business. These risks are limited by the Group's financial risk management policies and practices described below.

Credit risk

The Group's credit risk is primarily attributed to its contract assets, trade and other receivables, amount due from an associate and cash and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis and follow-up action is taken to recover overdue debts.

At the end of the reporting period, the Group had certain concentration of credit risk that 97% (2024: 51%) and 100% (2024: 100%) of the trade receivables and contract assets were due from the Group's largest debtor and the five largest debtors respectively.

For trade receivables and contract assets, the Group applies provision matrix to measure the ECLs prescribed by HKFRS 9 on lifetime ECL basis at the end of the reporting period. As at 31 March 2025 and 2024, the expected loss rates applied in the provision matrix are determined with reference to the debtors' characteristics, including historical actual loss experience on the trade receivables and contract assets and information specific to the debtors as well as pertaining to the economic environment in which the debtors operate.

Trade receivables

	At 31 March 2025			
	ECL rate – weighted average	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Collective assessment:				
More than one year but less than two years past due	92%	2,317	(2,138)	179
More than three years past due	100%	19,253	(19,253)	–
		21,570	(21,391)	179
Individual assessment:				
Not yet past due	56%	6,866	(3,880)	2,986
Less than one month past due	56%	246	(138)	108
One to three months past due	56%	490	(276)	214
More than three months but less than six months past due	56%	727	(410)	317
More than six months but less than one year past due	57%	1,426	(806)	620
More than one year but less than two years past due	57%	2,749	(1,553)	1,196
More than two years past due	57%	445	(251)	194
		12,949	(7,314)	5,635
		34,519	(28,705)	5,814

42. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Trade receivables (Continued)

	At 31 March 2024			
	ECL rate – weighted average	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Collective assessment:				
More than six months but less than one year past due	5%	2,317	(119)	2,198
More than two years but less than three years past due	100%	8,435	(8,435)	–
More than three years past due	100%	10,956	(10,956)	–
		21,708	(19,510)	2,198
Individual assessment:				
Not yet past due	13%	9,755	(1,263)	8,492
Less than one month past due	13%	235	(30)	205
One to three months past due	13%	466	(61)	405
More than three months but less than six months past due	13%	692	(91)	601
More than six months but less than one year past due	13%	1,359	(183)	1,176
More than one year but less than two years past due	16%	442	(72)	370
More than two years past due	100%	4,717	(4,717)	–
		17,666	(6,417)	11,249
		39,374	(25,927)	13,447

42. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Contract assets

	At 31 March 2025			
	ECL rate – weighted average	**Gross carrying amount HK$'000**	**Loss allowance HK$'000**	**Net carrying amount HK$'000**
Not yet past due	**4%**	**205**	**(8)**	**197**

	At 31 March 2024			
	ECL rate – weighted average	Gross carrying amount HK$'000	Loss allowance HK$'000	Net carrying amount HK$'000
Not yet past due	4%	13,253	(530)	12,723

Other receivables and deposits and amount due from an associate

For other receivables and deposits and amount due from an associate as at 31 March 2025 and 2024, the Group measures loss allowances using the general approach under HKFRS 9. Impairment of these receivables and deposits was provided based on the "three-stage" model by referring to the changes in credit quality since initial recognition.

These receivables and deposits that are not credit-impaired since initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the Group. The ECL is measured on a 12-month basis.

– If a significant increase in credit risk (as defined in accounting policy Note 4(h)(ii)) since initial recognition is identified but not yet credit-impaired, the financial asset is moved to "Stage 2". The ECLs are measured on lifetime basis.

– If the financial asset is credit-impaired (as defined in accounting policy Note 4(h)(ii)), the financial asset is then moved to "Stage 3". The ECLs are measured on lifetime basis.

– At Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a financial asset subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting periods to the amortised cost of the financial asset (the gross carrying amount net of loss allowance) rather than the gross carrying amount.

42. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Other receivables and deposits and amount due from an associate (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables and deposits at the end of the reporting period:

	At 31 March 2025				
	ECL rate	**12-month ECLs Stage 1**	**Lifetime ECLs Stage 3**	**Gross carrying amount**	**Loss allowance**
	(%)	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Not yet past due	**6%**	**7,886**	**–**	**7,886**	**–***
Over 1 year past due	**100%**	**–**	**6,097**	**6,097**	**6,097**
		7,886	**6,097**	**13,983**	**6,097**

	At 31 March 2024				
	ECL rate	12-month ECLs Stage 1	Lifetime ECLs Stage 3	Gross carrying amount	Loss allowance
	(%)	HK$'000	HK$'000	HK$'000	HK$'000
Not yet past due	6%	7,322	–	7,322	–*

* The Group has assessed and concluded that the expected loss rate and 12-month ECLs of these financial assets are insignificant based on the Group's assessment of historical default experience and forward-looking information available at the end of each reporting period.

The following table provides information about the Group's exposure to credit risk and ECL for amount due from an associate at the end of the reporting period:

	At 31 March 2024			
	ECL rate	Lifetime ECLs Stage 3	Gross carrying amount	Loss allowance
	(%)	HK$'000	HK$'000	HK$'000
More than six months but less than one year past due	100%	6,097	6,097	6,097

The Group's bank balances are deposits with banks in Hong Kong and the PRC. The credit risk on these liquid funds is limited because the counterparties are banks with high credit-rating assigned by international credit rating agencies.

42. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Movement in loss allowance account in respect of trade receivables during the year is as follows:

	Impairment loss allowance HK$'000
At 1 April 2023	21,490
Impairment loss recognised	5,594
Impairment loss reversed	(421)
Exchange realignment	(736)
At 31 March 2024 and 1 April 2024	25,927
Impairment loss recognised	7,633
Impairment loss reversed	(49)
Disposal of subsidiaries	(4,706)
Exchange realignment	(100)
At 31 March 2025	**28,705**

Movement in loss allowance account in respect of contract assets during the year is as follows:

	Impairment loss allowance HK$'000
At 1 April 2023	427
Impairment loss recognised	126
Exchange realignment	(23)
At 31 March 2024 and 1 April 2024	530
Impairment loss reversed	(516)
Dissolution of a subsidiary	(4)
Exchange realignment	(2)
At 31 March 2025	**8**

42. FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Movement in loss allowance account in respect of other receivables and deposits during the year is as follows:

	Impairment loss allowance HK$'000
At 1 April 2023	14,099
Derecognition of an other receivable	(14,099)
At 31 March 2024 and 1 April 2024	–
Reclassified from amount due from an associate	6,097
At 31 March 2025	**6,097**

Movement in loss allowance account in respect of amount due from an associate during the year is as follows:

	Impairment loss allowance HK$'000
At 1 April 2023	–
Impairment loss recognised	6,097
At 1 April 2024 and 31 March 2024	6,097
Reclassified to other receivables	(6,097)
At 31 March 2025	**–**

42. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	Carrying amount HK$'000	Total HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 5 years HK$'000
2025				
Accounts payable	**5,672**	**5,672**	**5,672**	**–**
Other payables and accruals*	**50,532**	**50,532**	**50,532**	**–**
Loans from shareholders	**11,577**	**11,577**	**11,577**	**–**
Lease liabilities	**2,281**	**2,297**	**2,297**	**–**
Convertible notes – liability component	**4,810**	**5,340**	**200**	**5,140**
	74,872	**75,418**	**70,278**	**5,140**
2024				
Accounts payable	7,208	7,208	7,208	–
Other payables and accruals*	55,990	55,990	55,990	–
Loans from shareholders	12,277	12,277	12,277	–
Bank and other borrowings	9,892	10,752	10,752	–
Lease liabilities	6,861	7,100	4,835	2,265
	92,228	93,327	91,062	2,265

* excluded accrued staff costs

42. FINANCIAL RISK MANAGEMENT (Continued)

Interest rate risk

The Group is not exposed to significant interest rate risk as the Group's interest-bearing borrowing is not significant as at 31 March 2025. Interest rate risk arising from cash and bank balances is not significant.

Foreign currency risk

The Group is exposed to currency risk primarily through transactions that are denominated in currencies other than the functional currency of the operations to which they relate. The currencies giving rise to this risk is primarily United States dollars ("USD"), Euro ("EUR") and Renminbi ("RMB").

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Liabilities		**Assets**	
	2025	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000
RMB	**34,994**	37,179	**363**	196
USD	**–**	359	**6,760**	14,090
EUR	**–**	5,016	**–**	1,644

The Group regards the exposure to USD is minimal as the exchange rate between USD and HK$ is pegged.

If the exchange rate of RMB against HK$ had appreciated/depreciated by 5%, loss for the year would increase/decrease by HK$1,732,000 (2024: HK$1,849,000) respectively.

Apart from the RMB, the management of the Group considers the currency risk of the Group is insignificant for the years ended 31 March 2025 and 2024, hence no sensitivity analysis is presented.

43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 March 2025 and 2024 are categorised as follows:

	2025 **HK$'000**	2024 HK$'000
Financial assets		
Financial assets at amortised cost (including cash and bank balances)	**22,104**	34,670
Financial assets at FVTPL – unlisted equity investments	**–**	27,008
	22,104	61,678
Financial liabilities		
Financial liabilities at amortised cost	**72,591**	85,367
Lease liabilities	**2,281**	6,861
	74,872	92,228

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include trade receivables, other receivables and deposits, amount due from an associate, cash and bank balances, accounts payable, other payables and accruals, loans from shareholders, bank and other borrowings, convertible notes – liability portion and lease liabilities.

The directors of the Company considered that due to the short term nature or bearing interest at prevailing market rates, the carrying amounts of these financial assets and financial liabilities in the consolidated financial statements approximate to their corresponding fair value.

(b) Financial instruments measured at fair value

Financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	As at 31 March 2025				As at 31 March 2024			
	Level 1 **HK$'000**	**Level 2** **HK$'000**	**Level 3** **HK$'000**	**Total** **HK$'000**	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value – unlisted equity investments	**–**	**–**	**–**	**–**	–	–	27,008	27,008

There were no transfers between levels during the year.

43. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

Information about level 3 fair value measurements

At 31 March 2024, the fair value is assessed under direct comparison approach with reference to similar transactions, adjusted by the change in general stock price index in the corresponding market to reflect the market change.

The significant unobservable inputs

	2024
Adjustment factor in stock price index	72.09%

At 31 March 2024, increased/decreased stock price index by 5% would increase/decrease the fair value by HK$1,688,000.

At 31 March 2025, the Directors considered the fair value of the unlisted equity investments to be minimal following the insolvency event as detailed in Note 22.

A reconciliation for financial instruments carried at fair value based on significant unobservable inputs is as follows:

	2025 **HK$'000**	2024 HK$'000
Unlisted equity investments		
At the beginning of the year	**27,008**	85,400
Additions arising from the termination of the contract (Note 22)	**–**	23,740
Fair value change	**(10,295)**	(36,783)
Disposal	**(16,581)**	(43,577)
Exchange realignment	**(132)**	(1,772)
At the end of the year	**–**	27,008

44. NOTE SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities:

	Loans from shareholders HK$'000	Bank and other borrowings HK$'000	Lease liabilities HK$'000	Convertible notes – liability component HK$'000	Total HK$'000
At 1 April 2024	12,277	9,892	6,861	–	29,030
Changes from financing cash flows:					
Proceeds from loans from shareholders	135	–	–	–	135
Proceeds from issue of convertible notes	–	–	–	4,676	4,676
Repayments of bank borrowing	–	(4,741)	–	–	(4,741)
Repayment of loans from shareholders	(831)	–	–	–	(831)
Repayment of principal portion of lease liabilities	–	–	(2,022)	–	(2,022)
Interest paid on bank and other borrowings	–	(152)	–	–	(152)
Interest paid on lease liabilities	–	–	(111)	–	(111)
Total changes from financing cash flow	(696)	(4,893)	(2,133)	4,676	(3,046)
Exchange realignment	(4)	(170)	–	–	(174)
Other changes:					
Interest on bank and other borrowings	–	152	–	–	152
Interest on lease liabilities	–	–	111	–	111
Interest on convertible notes	–	–	–	134	134
Lease termination	–	–	(2,558)	–	(2,558)
Settlement by financial assets at FVTPL	–	(4,981)	–	–	(4,981)
	–	(4,829)	(2,447)	134	(7,142)
At 31 March 2025	**11,577**	**–**	**2,281**	**4,810**	**18,668**

44. NOTE SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Reconciliation of liabilities arising from financing activities: (Continued)

	Loans from shareholder HK$'000	Bank and other borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 April 2023	11,396	9,893	5,138	26,427
Changes from financing cash flows:				
Proceeds from loans from shareholders	1,271	–	–	1,271
Proceeds from other borrowing	–	5,016	–	5,016
Repayment of bank borrowing	–	(656)	–	(656)
Repayment of other borrowing	–	(4,064)	–	(4,064)
Repayment of principal portion of lease liabilities	–	–	(2,887)	(2,887)
Interest paid on bank and other borrowings	–	(574)	–	(574)
Interest paid on lease liabilities	–	–	(204)	(204)
Total changes from financing cash flow	1,271	(278)	(3,091)	(2,098)
Exchange realignment	(390)	(297)	(151)	(838)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	–	–	4,761	4,761
Interest on bank and other borrowings	–	574	–	574
Interest on lease liabilities	–	–	204	204
	–	574	4,965	5,539
At 31 March 2024	**12,277**	**9,892**	**6,861**	**29,030**

(b) Significant non-cash transactions

During the year ended 31 March 2024, inventory with carrying amount of HK$1,965,000 was transferred to property, plant and equipment.

During the year ended 31 March 2025, financial assets at FVTPL with carrying amount of HK$16,581,000 was transferred to the Lender as settlement of the other borrowing with carrying amount of HK$4,981,000.

45. DISPOSAL OF SUBSIDIARIES

During the year, the Group entered into a contract to sell the entire equity interest in Sinocop New Energy Technology Company Limited ("Sinocop"), a wholly-owned subsidiary of the Group, to an independent third party at a cash consideration of HK$100. The net liabilities of Sinocop and its subsidiaries at the date of the disposal were as follows:

	Notes	HK$'000
Property, plant and equipment	15	115
Other receivables and prepayments		5
Cash and bank balances		11
Accounts payable		(372)
Other payables and accruals		(5,664)
Net liabilities disposed of		(5,905)
Non-controlling interests		7,075
Cumulative exchange difference in respect of net liabilities of the subsidiary reclassified from equity to profit or loss		1,504
Loss on disposal of subsidiaries included in loss for the year in the consolidated statement of profit or loss and other comprehensive income	11	(2,674)
Total consideration		–
Satisfied by:		
Cash consideration		–
Net cash outflow from the disposal:		
Cash and bank balances disposed of		(11)
Cash consideration received		–
Total		(11)

46. ACQUISITION OF ADDITIONAL INTERESTS OF SUBSIDIARIES IN CHONGQING RESULTING FROM REORGANISATION

On 2 June 2023, the Group entered into a sale and purchase agreement for selling its entire equity interest in a group of subsidiaries (the "Target Group") to an independent third party at a consideration of RMB34 million (the "Suitong Disposal"). The assets that are intended to be disposed of are certain intangible assets including the qualification to modify vehicles. According to the terms of the agreement, the Group is required to reorganise the group structure (the "Reorganisation") and transfer assets and liabilities of the Target Group excluding certain intangible assets to other group entities. During the year ended 31 March 2024, certain steps of the Reorganisation has been completed.

On 9 May 2023 and 8 June 2023, a 70%-owned subsidiary ("Subsidiary A") of the Target Group agreed to transfer the entire equity interests of its two wholly-owned subsidiaries ("Subsidiary B" and "Subsidiary C") to another wholly-owned subsidiary ("Subsidiary D") of the Group at a consideration of RMB1,000 and RMB10,000 respectively. Accordingly, the proportionate share of the carrying amounts of the net liabilities of Subsidiary B and Subsidiary C totalling HK$15,384,000 attributable to the non-controlling interests were debited to the accumulated losses account.

47. LITIGATIONS

(a) On 9 December 2022, a contractor (the "Guangxi Contractor") has commenced an arbitration against Guangxi Weiri (the "Arbitration") and applied to the People's Court of Qingxin District Nanning Municipality ("the Court") for claiming the outstanding contract sum and respective interest in the aggregate amount of approximately RMB2.5 million in relation to a construction and exploration contract entered into between Guangxi Weiri and Guangxi Contractor in December 2014. On 13 April 2023, the first hearing was held by the Court in relation to the Arbitration. On 25 May 2023, Guangxi Contractor applied to the Court for judicial preservation to freeze the assets of Guangxi Weiri up to RMB2.5 million. Accordingly, the mining rights of the Group were frozen for a period of three years from 26 May 2023 in accordance with the notice from the Court dated 12 June 2023, which was received by the management of the Company on 5 July 2023. On 30 June 2023, the Court issued a civil judgment letter and ordered Guangxi Weiri to pay the outstanding contract sum and respective interest, totalling approximately RMB1,559,000, which has been provided and included in "other payables and accruals" as at 31 March 2025.

(b) On 21 August 2024, the purchaser of the Target Group (Note 46) filed an application for arbitration to the Chongqing Arbitration Commission against the Group for claiming the return of the consideration of RMB34 million plus penalty of RMB6.8 million and compensation of approximately RMB40 million. On 3 September 2024, the Group has received an enforcement notice from the Third Intermediate People's Court of Chongqing that the equity interests in Chongqing Suitong New Energy Automotive Manufacturing Co. Ltd., Shenzhen New Energy Technology Company Limited and Dongguan Sinocop Electric Vehicles Company Limited held by the Group were frozen for three years. Subsequent to the end of the reporting period, pursuant to the court judgement dated 16 May 2025, the court ordered the Group to refund the consideration received of RMB34 million to the purchaser; and the Group and the purchaser shall pay to each other liquidation damages of RMB5.5 million and RMB760,000 respectively within 15 days. The Group has applied for a revocation of the ruling and the result is pending up to the date of this report. The consideration received of RMB34 million and the provision of the liquidation damages of RMB4.8 million were included in "other payables and accruals" as at 31 March 2025.

48. EVENTS AFTER THE REPORTING DATE

Apart from the subsequent event disclosed in Note 47(b), on 9 May 2025, the Company completed a placing of 27,000,000 shares at HK$0.30 each to not less than six placees. The net proceeds from the placing amounted to HK$7.8 million after deducting the commission payable to the placing agent and other related expenses incurred.

49. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 June 2025.