HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8137)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

GROUP RESULTS

The board of directors (the "Board") of Honbridge Holdings Limited (the "Company") announced the annual consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 together with the comparative audited figures for last financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Continuing operations			
Revenue	4	**126,112**	226,961
Cost of revenue		**(91,720)**	(176,301)
Gross profit		**34,392**	50,660
Other operating income, gains and losses	6	**21,244**	(13,149)
Selling and distribution costs		**(5,203)**	(6,922)
Administrative expenses		**(76,644)**	(106,143)
Other expenses		**(10,727)**	–
Impairment loss on exploration and evaluation assets	11	**(534,169)**	–
Impairment loss on financial assets, net		**(24,306)**	(130)
Impairment loss on property, plant and equipment		**(16,298)**	(62,621)
Impairment loss on right-of-use assets		**(2,921)**	(4,213)
Gain/(loss) on changes in fair value of contingent consideration payables		**1,576**	(6,257)
Share of results of associates		**159**	(589)
Finance costs		**(10,065)**	(9,447)
Loss before income tax from continuing operations	7	**(622,962)**	(158,811)
Income tax credit	8	**181,617**	–
Loss for the year from continuing operations		**(441,345)**	(158,811)
Discontinued operation			
Loss for the year from discontinued operation		**–**	(8,309)
Loss for the year		**(441,345)**	(167,120)

	2024	2023
	HK$'000	*HK$'000*
Loss for the year attributable to:		
Owners of the Company		
— Continuing operations	**(412,879)**	(98,210)
— Discontinued operation	**–**	(8,309)
	(412,879)	(106,519)
Non-controlling interests		
— Continuing operations	**(28,466)**	(60,601)
	(441,345)	(167,120)
Loss for the year	**(441,345)**	(167,120)
Other comprehensive (loss)/income		
Item that will not be reclassified subsequently to profit or loss:		
Changes in fair value of equity instruments at fair value through other comprehensive income	**(290)**	(4,415)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**(1,039,653)**	409,024
Share of other comprehensive income of associates	**239**	172
Release of translation reserve upon disposal of subsidiaries	**–**	(1,106)
Other comprehensive (loss)/income for the year, net of tax	**(1,039,704)**	403,675
Total comprehensive (loss)/income for the year	**(1,481,049)**	236,555

	Note	2024 HK$'000	2023 HK$'000
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		**(1,449,914)**	293,857
Non-controlling interests		**(31,135)**	(57,302)
		(1,481,049)	236,555
Loss per share from continuing and discontinued operations	*10*		
— Basic		**(4.23) cents**	(1.09) cents
— Diluted		**(4.23) cents**	(1.09) cents
Loss per share from continuing operations			
— Basic		**(4.23) cents**	(1.00) cents
— Diluted		**(4.23) cents**	(1.00) cents
Loss per share from discontinued operation			
— Basic		**N/A**	(0.09) cents
— Diluted		**N/A**	(0.09) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**56,820**	89,977
Exploration and evaluation assets	*11*	**5,367,781**	7,467,157
Right-of-use assets		**34,595**	37,671
Interest in an associate		**5,810**	5,412
Financial assets at fair value through other comprehensive income		**249**	539
		5,465,255	7,600,756
Current assets			
Inventories		**10,335**	21,927
Trade and bill receivables	*12*	**36,593**	38,590
Prepayments, deposits and other receivables	*13*	**21,910**	52,230
Financial assets at fair value through profit or loss	*14*	**49,373**	44,128
Tax recoverable		**412**	433
Restricted bank deposits		**16,386**	31,065
Time deposits with maturity over three months		**21,373**	–
Cash and cash equivalents		**65,784**	166,953
		222,166	355,326
Current liabilities			
Trade and bill payables	*15*	**38,500**	72,044
Provision, other payables, accruals and deposits received	*16*	**91,505**	213,985
Contract liabilities		**2,103**	321
Borrowings	*17*	**19,459**	20,025
Lease liabilities		**3,063**	3,420
		154,630	309,795
Net current assets		**67,536**	45,531
Total assets less current liabilities		**5,532,791**	7,646,287

	Notes	**2024**	2023
		HK$'000	*HK$'000*
Non-current liabilities			
Provision, other payables, accruals and deposits received	*16*	**85,137**	–
Borrowings	*17*	**85,988**	108,926
Lease liabilities		**11,591**	9,512
Deferred income		**–**	3,134
Deferred tax liabilities		**1,706,319**	2,420,928
Other financial liabilities		**12,337**	10,761
Contingent consideration payables		**117,471**	119,047
		2,018,843	2,672,308
Net assets		**3,513,948**	4,973,979
EQUITY			
Equity attributable to owners of the Company			
Share capital		**9,855**	9,855
Reserves		**3,549,434**	4,978,330
		3,559,289	4,988,185
Non-controlling interests		**(45,341)**	(14,206)
Total equity		**3,513,948**	4,973,979

Notes:

1. GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The Company and its subsidiaries are collectively referred to as the "Group" hereinafter. The directors of the Company consider the ultimate holding company as Geely Technology Group Co., Ltd., a company incorporated in the People's Republic of China with limited liability.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

3. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS

3.1 Adoption of revised HKFRS Accounting Standards

In the current year, the Group has applied for the first time the following revised HKFRS Accounting Standards issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024.

Amendments to HKAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of these amendments to HKFRS Accounting Standards has no material impact on the Group's accounting policies.

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

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

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

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 effective date of these amendments were deferred indefinitely. Early adoption continues to be permitted.

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

Amendments to HKFRS 9 and HKFRS 7 "Classification and Measurement of Financial Instruments"

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

HKFRS 18 "Presentation and Disclosure in the Financial Statements"

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

— Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

— Entities are required to disclose within a note to consolidated financial statements of management-defined performance measures ("MPMs") with a reconciliation between MPMs and HKFRS performance measures.

— Enhanced guidance is provided on how to group the information in the financial statements or in the notes.

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

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

4. REVENUE

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

	2024	2023
	HK$'000	*HK$'000*
Continuing operations:		
Sale of lithium batteries	**74,591**	158,045
Battery testing service income	**2,953**	15,870
Platform service and riding service income	**25,648**	40,133
Advertising and related income	**5,214**	1,364
Revenue from contracts with customers	**108,406**	215,412
Motor vehicles rental income	**17,706**	11,549
Revenue from continuing operations	**126,112**	226,961
Discontinued operation:		
Delivery service income	**–**	1,190
Battery swapping service income	**–**	698
Revenue from contracts with customers from discontinued operation	**–**	1,888
Timing of revenue recognition		
At a point in time	**75,515**	160,494
Over time	**32,891**	56,806
	108,406	217,300

5. SEGMENT REPORTING

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

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

The Group has identified the following reportable segments:

Continuing operations:

(i) "Mineral resources exploration and trading" segment involves research and exploration of mineral resources and trading of minerals;

(ii) "Lithium battery production" segment involves production and sale of lithium battery; and

(iii) "Online car-hailing and related services" segment involves provision of platform services, riding services, motor vehicles rental services and advertising and related services.

During the year ended 31 December 2023, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. An operating segment for the Group's provision of battery swapping services in the PRC was discontinued upon disposal of subsidiaries for the year ended 31 December 2023. The segment information for the year ended 31 December 2023 does not include any amounts for this discontinued operation.

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

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

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

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

	Continuing operations			
	Mineral resources exploration and trading	**Lithium battery production**	**Online car-hailing and related services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Year ended 31 December 2024				
Reportable segment revenue (external customers)	**–**	**77,544**	**48,568**	**126,112**
Reportable segment losses	**(541,530)**	**(14,024)**	**(33,758)**	**(589,312)**
Reportable segment assets	**5,380,216**	**189,503**	**51,778**	**5,621,497**
Reportable segment liabilities	**119,121**	**280,936**	**55,350**	**455,407**
Capital expenditure	**4,123**	**3,078**	**73**	**7,274**
Impairment loss on exploration and evaluation assets	**534,169**	**–**	**–**	**534,169**
Impairment loss on property, plant and equipment	**–**	**–**	**16,298**	**16,298**
Impairment loss on right-of-use assets	**–**	**–**	**2,921**	**2,921**
Impairment loss on financial assets	**–**	**48**	**407**	**455**
Interest income	**(8)**	**(2,658)**	**(1)**	**(2,667)**
Interest expense	**–**	**7,313**	**2,593**	**9,906**
Other expenses	**–**	**10,727**	**–**	**10,727**
Depreciation	**955**	**4,564**	**7,216**	**12,735**
Amortisation	**–**	**750**	**433**	**1,183**

	Continuing operations			
	Mineral resources exploration and trading *HK$'000*	Lithium battery production *HK$'000*	Online car-hailing and related services *HK$'000*	Total *HK$'000*
Year ended 31 December 2023				
Reportable segment revenue (external customers)	–	173,915	53,046	226,961
Reportable segment (losses)/gains	(8,225)	20,530	(107,922)	(95,617)
Reportable segment assets	7,480,220	302,550	84,964	7,867,734
Reportable segment liabilities	120,338	382,899	48,485	551,722
Capital expenditure	3,026	2,989	1,339	7,354
Impairment loss on property, plant and equipment	–	–	62,621	62,621
Impairment loss on right-of-use assets	–	–	4,213	4,213
(Reversal of impairment loss)/impairment loss on financial assets	–	(811)	45	(766)
Interest income	(107)	(3,604)	(1)	(3,712)
Interest expense	–	6,630	2,621	9,251
Depreciation	88	3,975	20,508	24,571
Amortisation	–	766	1,020	1,786

6. OTHER OPERATING INCOME, GAINS AND LOSSES

	2024	2023
	HK$'000	*HK$'000*
Continuing operations:		
Bank interest income	**2,764**	3,718
Government grants *(note)*	**4,157**	3,137
Sundry income	**10,889**	17,056
Loss on lease modification	**(1,845)**	–
Gain/(loss) on disposal of property, plant and equipment	**34**	(411)
Net gain/(loss) on financial assets at FVTPL	**5,245**	(36,649)
	21,244	(13,149)
Discontinued operation:		
Bank interest income	**–**	164
Government grants *(note)*	**–**	111
Sundry income	**–**	5
Gain on disposal of property, plant and equipment	**–**	253
	–	533
	21,244	(12,616)

Note:

The balance represented government grant related to income of HK$1.1 million (2023: HK$0.1 million) and government grant related to assets of HK$3.1 million (2023: HK$3.1 million). These government grants were received and complied with all attached conditions and therefore recognised in profit or loss during the years.

7. LOSS BEFORE INCOME TAX

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

	2024	2023
	HK$'000	*HK$'000*
Continuing operations:		
Auditor's remuneration		
— audit services	**1,539**	2,704
— non-audit services	**–**	90
	1,539	2,794
Cost of inventories recognised as expenses	**52,141**	117,357
Depreciation	**12,735**	24,571
Amortisation of right-of-use assets *(note)*	**2,440**	3,040
Short-term leases expenses	**1,272**	1,166
Net foreign exchange gain	**(4)**	(13)
Research and development costs *(note)*	**8,032**	20,126
(Gain)/loss on disposal of property, plant and equipment	**(34)**	411
Write off of property, plant and equipment	**505**	1,684
Loss on lease modification	**1,845**	–
Other expenses	**10,727**	–
Impairment loss on/(reversal of) impairment loss on financial assets:		
— Trade receivables	**455**	(766)
— Amount due from an associate	**23,851**	896
Impairment loss on financial assets, net	**24,306**	130
Impairment loss on exploration and evaluation assets	**534,169**	–
Impairment loss on property, plant and equipment	**16,298**	62,621
Impairment loss on right-of-use assets	**2,921**	4,213
Discontinued operation:		
Depreciation	**–**	1,549
Amortisation of right-of-use assets *(note)*	**–**	11
Short-term leases expenses	**–**	189
Research and development costs *(note)*	**–**	854
Gain on disposal of property, plant and equipment	**–**	(253)

Note: Included in administrative expenses.

8. INCOME TAX CREDIT

	2024	2023
	HK$'000	*HK$'000*
Continuing operations:		
Current tax	**–**	–
Deferred tax	**181,617**	–
Income tax credit	**181,617**	–

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

The PRC corporate income tax rate of 25% (2023: 25%) is applicable to the Company's PRC subsidiaries.

Corporate income tax rates in Brazil of 34% (2023: 34%) is applicable to Sul Americana de Metais S.A. ("SAM"), being the Company's subsidiary established in Brazil.

Corporate income tax rates in France of 25% (2023: 25%) is applicable to the Company's subsidiaries in France.

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

9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the years ended 31 December 2024 and 2023.

10. LOSS PER SHARE

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

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**9,755,329**	9,737,776

(a) From continuing and discontinued operations

	2024	2023
	HK$'000	*HK$'000*
Loss for the purpose of calculating basic loss per share	**(412,879)**	(106,519)

(b) From continuing operations

	2024	2023
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(412,879)**	(106,519)
Less: loss for the year from discontinued operation	**–**	(8,309)
Loss for the purpose of calculating basic loss per share from continuing operations	**(412,879)**	(98,210)

(c) From discontinued operation

	2024	2023
	HK$'000	*HK$'000*
Loss for the purpose of calculating basic loss per share from discontinued operation	**–**	(8,309)

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

For year ended 31 December 2023, diluted loss per share is the same as basic loss per share because the impact of the exercise of share options was anti-dilutive.

11. EXPLORATION AND EVALUATION ASSETS

	2024	2023
	HK$'000	*HK$'000*
At 1 January		
Cost	**7,467,157**	6,859,393
Accumulated impairment	**–**	–
Net book amount	**7,467,157**	6,859,393
For the year ended 31 December		
Opening net book amount	**7,467,157**	6,859,393
Additions	**2,417**	2,134
Impairment loss	**(534,169)**	–
Exchange difference	**(1,567,624)**	605,630
Net book amount	**5,367,781**	7,467,157
At 31 December		
Cost	**5,901,950**	7,467,157
Accumulated impairment	**(534,169)**	–
Net book amount	**5,367,781**	7,467,157

As at 31 December 2024 and 2023, exploration and evaluation assets represented the rights to explore and identify prospective deposits of mineral resources in the Minas Gerais state in Brazil and the expenditures incurred in the search for mineral resources.

Exploration and evaluation assets are assessed for impairment and a formal estimate of the recoverable amount is performed when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset is less than its recoverable amount.

During the year ended 31 December 2024, the directors of the Company reviewed the carrying amount of exploration and evaluation assets, impairment indicators had been identified and impairment loss of HK$534,169,000 (2023: nil) had been recognised in the consolidated statement of profit or loss and other comprehensive income. The impairment is mainly due to the decrease in the price of iron ore concentrate and increase in capital expenditure for the year ended 31 December 2024. There is a new environmental deposit required by the Minas Gerais state government in Brazil, which applies to all relevant project in the Minas Gerais state. The requirement regulates the measurement and execution of environmental guarantees individually for each dam, the deposit amount was calculated mainly based on reservoir area, classification and purpose of the dam, and should be kept throughout the useful life of the dam, from its startup phase until the de-characterization and socio-environmental recovery.

The recoverable amount of exploration and evaluation assets were valued by an independent professional valuer, BonVision International Appraisal Limited, and based on the estimated of fair value less cost of disposal. The valuation was based on the income-based approach and the excess earning method is adopted. This method looks at the current values of the tangible assets and other intangible assets employed as the benchmark for an estimated rate of return. The fair values of exploration and evaluation assets are level 3 fair value measurement. There were no changes to the valuation techniques during the year.

Approval of all required licenses	Mid 2028 (2023: Mid 2027)
Commencement of production	1st quarter of 2032 (2023: 1st quarter of 2031)
Annual production capacity	27.5 million tonnes (2023: 27.5 million tonnes) of iron concentrate
Resource estimates	Measured resources of 3,583 million tonnes (2023: 3,583 million tonnes) (16.63%) Indicated resources of 1,556 million tonnes (2023: 1,556 million tonnes) (16.05%)
Price of iron concentrate	US$127 per tonnes (2023: US$148 per tonnes)
Operating costs:	
— First 18 years of mining	US$31.80 per tonnes (2023: US$32.79 per tonnes)
— Remaining period of mining	US$37.12 per tonnes (2023: US$37.25 per tonnes)
Income tax rate	15.25% for the first ten years of operation 34% afterwards (2023: same term)
Capital expenditures:	US$3,551 million (2023: US$3,254 million)
Discount rate	25.10% (2023: 26.14%)

12. TRADE AND BILL RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables — Gross	**37,217**	37,174
Less: Impairment losses	**(794)**	(373)
Trade receivables — Net	**36,423**	36,801
Bill receivables	**170**	1,789
	36,593	38,590

The following is ageing analysis of gross trade and bill receivables based on invoice date:

	2024	2023
	HK$'000	*HK$'000*
0–30 days	**8,079**	16,230
31–90 days	**8,088**	18,830
91 to 180 days	**19,198**	3,903
Over 180 days	**2,022**	–
	37,387	38,963

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

	2024	2023
	HK$'000	*HK$'000*
At 1 January	**373**	1,165
Impairment loss recognised	**500**	45
Reversal of impairment loss	**(45)**	(811)
Exchange difference	**(34)**	(26)
At 31 December	**794**	373

As at 31 December 2024 and 2023, the Group did not hold any collateral as security or other credit enhancements over the trade and bill receivables.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Deposits	**9,581**	11,978
Value added tax receivables	**7,150**	5,807
Other receivables	**1,058**	5,993
Prepayment	**2,017**	2,497
Amount due from an associate, net of allowance	**2,104**	25,955
	21,910	52,230

The amount due from an associate is unsecured, bears no interest and is repayable on demand. The carrying amount of the amount due from an associate approximate their fair values.

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

	HK$'000
At 1 January 2023	–
Impairment loss recognised	896
At 31 December 2023 and 1 January 2024	896
Impairment loss recognised	23,851
At 31 December 2024	**24,747**

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	HK$'000	*HK$'000*
Listed equity investments, at market value,		
— in Hong Kong — held for trading	**49,261**	43,983
— In overseas — held for trading	**112**	145
	49,373	44,128

At 31 December 2024 and 2023, the Group holds 14.14% (2023: 14.14%) equity interests in a company listed in Hong Kong.

The fair value of the Group's investment in listed securities has been determined by reference to their quoted bid prices on the reporting date.

15. TRADE AND BILL PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**23,980**	40,979
Bill payables *(Note)*	**14,520**	31,065
	38,500	72,044

The credit terms of trade payables vary according to the terms agreed with different suppliers. Aging analysis of trade and bill payables based on invoice date is as follows:

	2024	2023
	HK$'000	*HK$'000*
0–30 days	**9,488**	30,388
31–60 days	**9,617**	14,475
61–90 days	**7,395**	9,823
91–180 days	**835**	16,788
Over 180 days	**11,165**	570
	38,500	72,044

Note:

At 31 December 2024, bill payables are secured by the Group's restricted bank deposits of approximately HK$16,386,000 (2023: HK$31,065,000).

16. PROVISION, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	2024	2023
	HK$'000	*HK$'000*
Provision *(Note a, b)*	**119,052**	147,690
Other payables *(Note c)*	**40,888**	44,734
Accrued expenses	**3,263**	2,756
Deposits received	**11,027**	18,805
Amount due to shareholder *(Note d)*	**2,412**	–
	176,642	213,985
Analysed for reporting purposes as:		
Non-current liabilities	**85,137**	–
Current liabilities	**91,505**	213,985
	176,642	213,985

Notes:

(a) The following table shows the movements of provision and government grant repayable during the years:

	Provision for litigation *(note (b))*	**Provision for repayment of government grant**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
At 1 January 2023	11,401	151,778	163,179
Disposal of subsidiary	(11,067)	–	(11,067)
Exchange difference	(334)	(4,088)	(4,422)
At 31 December 2023 and 1 January 2024	–	147,690	147,690
Addition	–	10,727	10,727
Repayment	–	(37,021)	(37,021)
Accrued interest	–	2,029	2,029
Exchange difference	–	(4,373)	(4,373)
At 31 December 2024	**–**	**119,052**	**119,052**

On 31 December 2022, Zhejiang Forever New Energy Company Limited ("Zhejiang Forever"), a subsidiary of the Company, entered into an agreement with certain local government entities in Zhejiang, PRC (the "Government"), pursuant to which, Zhejiang Forever shall repay the Government (a) by 31 December 2022, the government loan in the principal amount of RMB100 million (which Zhejiang Forever had already fully repaid in December 2022); and (b) by 29 February 2024, the government grants (the "Grants") received by Zhejiang Forever in relation to its production facilities in the aggregate amount of around RMB208.4 million, net of 20% to 30% of Zhejiang Forever's accumulated qualified plant and equipment investment as at 31 January 2024 (the percentage being subject to the category classification of the production facilities as at 31 January 2024) (the "Deductible Amount"). The maximum of the Deductible Amount shall not exceed the amount of the Grants received of around RMB208.4 million and if the maximum of Deductible Amount is reached as at 31 January 2024, no repayment of the Grants shall be made. Based on the directors' best estimate, anticipated repayment amount of approximately RMB134.2 million (equivalent to approximately HK$151.8 million) has been recognised for this obligation as provision as at 31 December 2022 and 31 December 2023.

On 15 July 2024, Zhejiang Forever has entered into an agreement with the Government. Pursuant to which, Zhejiang Forever shall repay the Government a total of approximately RMB144.1 million (equivalent to approximately HK$154.8 million) by instalments. Zhejiang Forever shall repay the Government (a) by 15 July 2024, the Grants in the principal amount of RMB34.1 million (equivalent to HK$37.0 million) that had been repaid on 15 July 2024; (b) RMB30 million on or before 31 December 2025; (c) RMB40 million on or before 31 December 2026; and (d) RMB40 million on or before 31 December 2027. The balance payable on or before 31 December 2025, 2026 and 2027 are interest bearing at 2.00% per annum and payable together with the principal on the repayment date. The government grant repayable is guaranteed by the Zhejiang Geely Holdings Group Limited, a company established in the PRC and controlled by Mr. Li Shufu.

Based on the consequence of the new information, further provision of approximately RMB9.9 million (equivalent to approximately HK$10.7 million) was recognised in profit or loss for the year ended 31 December 2024 pursuant to the terms of the agreement with the Government on 15 July 2024.

(b) During the year ended 31 December 2023, the Group disposed all the equity interest in GETI (China) Energy Technology Co., Ltd ("GETI (China) Energy"). In the opinion of the directors of the Company, the court cases against GETI (China) Energy would not have any impact to the remaining group entities of the Group following the disposal.

(c) The other payables of HK$613,000 (2023: HK$2,487,000) is related to purchase of property, plant and equipment.

(d) The amount due to shareholder is interest bearing with 3 months EURIBOR plus 1.5%, secured by the Group's motor vehicles of HK$587,000 and repayable in December 2025.

17. BORROWINGS

	2024	2023
	HK$'000	*HK$'000*
Bank overdraft	**90**	–
Bank loans	**105,357**	128,951
	105,447	128,951
Represented by:		
Current liabilities	**19,459**	20,025
Non-current liabilities	**85,988**	108,926
	105,477	128,951

Note:

As at 31 December 2024, bank loans of HK$105,357,000 (2023: HK$128,951,000) are secured by the Group's right-of-use assets and property, plant and equipment with carry amounts of HK$30,478,000 and HK$9,977,000 (2023: HK$32,272,000 and HK$10,239,000) respectively and the corporate guarantee from Zhejiang Geely Holding Group Co., Ltd, a related party of the Company. Bank loans were repayable by instalments up to 3 June 2029 and were interest bearing at 4.45% (2023: 4.55%) per annum. Based on the repayment date, the Group's bank loans and bank overdraft are due for repayments as at 31 December 2024 and 2023 as follows:

	2024	2023
	HK$'000	*HK$'000*
Within one year or on demand	**19,459**	20,025
In the second years	**19,369**	20,025
In the third to fifth years	**66,619**	60,074
Over five years	**–**	28,827
	105,477	128,951

MANAGEMENT DISCUSSION AND ANALYSIS

LITHIUM-ION BATTERY BUSINESS

Zhejiang Forever New Energy Company Limited ("Zhejiang Forever New Energy")

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

Zhejiang Forever New Energy has full research and development ability (including lithium battery and battery management system design) and the batteries produced are top quality, reliable and safe. However, large vehicle manufacturers are not willing to place large orders due to the small production capacity which lead to a higher average costs when compared to the other competitors. In the PRC, the top ten powered battery manufacturers accounted for over 90% of the market share. It is not easy to break off an established relationship between a battery manufacturer (supplier) and new energy vehicle manufacturer (customer), given the efforts and resources required by both the supplier and customer to develop a compatible battery product. Customer exploration remains a huge challenge but the Group has been constantly negotiating and promoting products matching with automobile, commercial vehicle or electric bicycle manufacturers and also with potential new customers in the energy storage field and manufacturers which are planning to make a switch from lead acid battery to lithium battery for their vehicles. Expect for lithium-ion battery for PHEVs and the parking and starting battery for heavy trucks, the Group also has 12V, 48V batteries and portable power station in the product list.

Shandong Forever New Energy Company Limited ("Shandong Forever New Energy")

The current production capacity of Shandong Forever New Energy amounts to 150,000 kWh of lithium iron phosphate battery or 225,000 kWh of ternary lithium battery annually. There was no production in Shandong Forever New Energy during the year. Since 2023, Shandong Forever has focused on downsizing and operation simplification.

Disposal of Shandong Forever New Energy and Assignment of Debts

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

Upon the completion of the Shandong Forever New Energy Equity Transfer Agreement, the Company will not hold any equity interest in Shandong Forever New Energy and Shandong Forever New Energy will cease to be an associate of the Company in the consolidated financial statements of the Group.

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

Completion of the Shandong Forever New Energy Equity Transfer Agreement and the Debt Assignment Agreement is subject to the satisfaction of the conditions precedent and are yet to be completed. Details of this transaction was set out in the announcement of the Company dated 20 January 2025.

During the year ended 31 December 2024 (“Year Ended 2024”), the lithium-ion battery segment recorded a revenue of approximately HK$77.5 million, which was decreased by approximately 55.4% when compared to HK$173.9 million revenue recognised last year due to the decrease in order from a major customer and the unsatisfactory sales of new products.

The lithium-ion battery segment loss was approximately HK$14.0 million for the Year Ended 2024 (for the year ended 31 December 2023 (“Year Ended 2023”) of: HK$20.5 million gain). The segment turned from profit to loss during the year mainly because of the decrease in revenue, gross profit and increased in provision.

ONLINE CAR-HAILING BUSINESS

Jixing International Technology Co. Ltd ("Jixing International"), the Company engaged in online car-hailing services in France under the brand Caocao. Despite the COVID pandemic posed severe challenges. Caocao has received positive feedback from passengers and B2B business partners, affirming the quality of our service. In a strategic move, we have also begun cooperating with Uber, a market competitor, to explore synergies and enhance our service offerings. Caocao also did an excellent job during the Paris Olympics and provided reliable service to tourists and athletes. However, Caocao faces critical challenges, particularly in terms of high administrative, drivers, car maintenance and IT costs. Despite Jixing International has actively working on strategies to optimise our operations and reduce these costs, it has not been able to identify a sustainable business model. As the Company fails to perceive the future of the online car-hailing business and it is expected that continuous funding will be required to sustain its operation, the Group, having assessed the financial position of the online car-hailing business in France, believes that termination of the business will be able to avoid further losses and improve the financial position of the Group, which is in the interests of the Company and its shareholders as a whole. For the Year Ended 2024, Caocao contributed approximately HK$48.6 million revenue to the Group (2024: HK$53.0 million).

On 12 February 2025 (France time), the Tribunal de commerce de Nanterre in France confirmed it has received the application for Liquidation judiciaire filed by ESQ VTC ("Voluntary Liquidation"). ESQ VTC is a company incorporated in France with limited liability, is principally engaged in the provision of driver capacity for online-hailing car and driver management services in France. The current operations of ESQ VTC fail to support the development of the Company and have increased the operating costs of the Company. As such, in order to further focus on the development of its principal business relating to resources and new energy, reduce the Company's operating costs, enhance its efficiency and achieve its high-quality and sustainable development, the Company has determined to terminate the operation of ESQ VTC. Upon completion of the Voluntary Liquidation, ESQ VTC will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial results of the Company.

Disposal of Jixing International

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

Upon the completion of the Disposal, Honbridge Technology will not hold any equity interest in the Jixing International and the Jixing International and its subsidiaries ("Jixing International Group") will cease to be subsidiary of the Company.

Reasons for and the benefits of the disposal

The Jixing International Group is principally engaged in online car-hailing services in France. As set out in the Company's announcement dated 13 February 2025, the Company fails to perceive the future of the online car-hailing business in France and it is expected that continuous funding will be required to sustain its operation. ESQ VTC, being one of the members of the Jixing International Group, has already filed application for Liquidation judiciaire in France and is in the process of voluntary liquidation.

In deciding to pursue the Disposal, the Company has also considered financial condition of Jixing International Group. The revenue of Jixing International Group was approximately HK$51.6 million and HK$53.0 million for the years ended 31 December 2022 and 2023, respectively. Jixing International Group was in loss-making position for many years, and it may encounter liquidity issues in the short term without further capital injection. After assessing the financial position and prospects of the business, the Company believes that terminating such business and proceeding with the Disposal will help avoid further recording of the operating losses of the Jixing International, and thus the overall financial performance of the Group is anticipated to improve. Additionally, voluntary liquidation of ESQ VTC may involve lengthy and complex legal processes, potentially extending over a year. The Disposal will allow the Group to better allocate and utilize its financial resources and manpower toward other businesses while enabling management to focus more effectively on business development of the Group's remaining business.

The Disposal under the Equity Transfer Agreement has not completed as at the date of this announcement.

Impairment of Property, Plant and Equipment

As at 31 December 2024, certain of the Group's property, plant and equipment and right-of-use assets of approximately HK$45.4 million (2023: HK$128.1 million) in total are mainly related to the cash generating unit ("CGU") of online car-hailing and related services business segment ("Online car-hailing and related services CGU") which recorded operating losses during the year.

The management carried out an impairment assessment and a review of the recoverable amounts of relevant assets of Online car-hailing and related services CGU, which is amounted to HK$26.2 million (2023: HK$61.2 million). The carrying amount of Online car-hailing and related services CGU is written down to its recoverable amount and the impairment loss amounting to HK$19.2 million (2023: HK$66.8 million) has been allocated to the assets to offset the carrying amount of the asset is not reduced below the highest of its fair value less costs of disposal, its value in use and zero. As a result, impairment loss of HK$16.3 million (2023: HK$62.6 million) on property, plant and equipment and HK$2.9 million (2023: HK$4.2 million) on right-of-use assets had been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024. The impairment loss recognised was mainly due to the continuous loss making under the keen competition of the online car-hailing market in Europe.

As at 31 December 2024, the recoverable amount had been determined based on fair value less cost of disposal with reference to the market quoted prices of similar comparable assets in an active market, which is higher than its value-in-use.

PROGRESS OF SAM IRON ORE PROJECT

Background

As of 31 December 2024, the Group had accumulatively provided US$82.55 million to Sul Americana de Metais S.A. ("SAM"), an indirect wholly owned subsidiary of the Company in Brazil, for preliminary work of the iron ore project in Brazil ("Block 8 Project" or "SAM Project"). In addition to the acquisition consideration of US$78.42 million, the cumulative investment had reached approximately US$160.97 million.

There has been no exploration and mining activity during the year ended 31 December 2024 and the measured and indicated resources for Block 8 Project are same as last year at 3,583 million tonnes (16.63%) and 1,556 million tonnes (16.05%) respectively.

SAM is devoted to develop Block 8 Project as phase I operation in the state of Minas Gerais with an annual production capacity of 27.5 million tons of iron concentrate (on dry basis) with an average grading of 66.2% Fe in the first 18 years' operation. The project will have an integrated system comprising of an open-pit mine, a beneficiation plant, tailings disposal facilities, a power transmission line, water supply pipelines, pellet feed pipeline to the port and a Vacaria water dam.

Environmental License

The environmental license of the Block 8 project in Brazil involves three types of licenses: Preliminary License ("LP"), Installation License ("LI") and Operation License ("LO"). Among them, the LP is the most important to the project as it confirms environmental feasibility and approves the location and design of the project, and establishes basic requirements and conditions to be met in the next phases of the implementation of the project. The LP is also a prerequisite for obtaining the LI, LO, and other necessary approvals or implementing the project.

SAM remained committed to applying for the LP in compliance with laws and regulations in Brazil over the past few years. When and after the Group was notified of the pending granting of the LP for the first time in 2015, two tailings dam failures occurred at mines operated by other companies in Brazil, resulting in a severe delay in the granting LP for the SAM project. Details and impact of the two tailings dam failures which negatively affected the licensing process of SAM was disclosed in annual report 2021.

In August 2021, SAM's Block 8 Project was selected as a priority project of Brazilian federal government by the Inter-ministerial Committee for the Analysis of Strategic Minerals Projects ("CTAPME"). CTAPME was established in 2021 to select projects considered highly important for the development of Brazil and it coordinates government agencies to implement and expand production of strategic minerals on an environmentally sustainable basis.

On 10 and 11 May 2022, the Superintendence of Priority Projects ("SUPPRI") of the Secretariat of Environment and Sustainable Development ("SEMAD"), the then licensing organisation responsible for SAM's project, held two public hearings for the environmental licensing process for Block 8 Project in the cities of Grão Mogol and Fruta de Leite. The public hearing is a fundamental instrument of an environmental licensing process, whose purpose is to present the results of environmental studies to the public, resolve doubts and collect criticisms and suggestions from those present. Around 1,150 people in total registered and attended the two public hearings. Those present including representatives of important institutions in the northern region of Minas Gerais, the mayors and councillors of the municipalities in the project area, people from the communities, all manifested their support for Block 8 project and made it clear that they are looking forward to the installation of the project in the region.

Reasons for the further delay of the Block 8 Project:

In February 2023, SAM received the technical report from SUPPRI. The technical report requests some gap studies because of the modification of the project and the update of the laws and regulations.

After that, the progress was severely affected by the restructuring of Minas Gerais State government institutions, which started in April 2023. As a result of the restructuring, the licensing organ SUPPRI which was responsible for the licensing of SAM's project was replaced by Minas State Environmental Foundation ("FEAM"). In November 2023, SAM's licensing process for Block 8 Project was transferred to FEAM from SUPPRI.

On 26 February 2024, SAM conducted its first meeting with FEAM. FEAM emphasised the imperative for complementary studies as outlined in the technical report of SUPPRI released in February 2023. Furthermore, FEAM referred to the Law 23.291/2019, which demand alternative studies on tailings disposal to demonstrate the absence of safer solutions beyond the chosen one, taking into account environmental, social, and economic sustainability criteria. In alignment with FEAM's perspective, there is an understanding of the necessity to conduct more studies for the project.

Throughout 2024, SAM actively pursued the optimal tailings disposal solution by engaging multiple equipment and service providers to explore advanced technologies tailored to its unique ore characteristics. To gain practical insights, SAM conducted on-site visits to Vale's dry stacking operations and studied best practices at downstream mining sites in China, thoroughly assessing the feasibility of various tailings management approaches. These comprehensive efforts highlight SAM's unwavering commitment to developing a safe, sustainable, and environmentally responsible mining operation that aligns with the latest industry standards and regulatory requirements, while delivering long-term benefits to local communities and the environment.

In addition to the exploration of optional tailings disposal solution, SAM is also working to improve the Block 8 Project in different aspects. This comprehensive effort includes the development of a new conceptual engineering, incorporating detailed technical and location alternative studies, and the reinitiation of the Environmental Impact Assessment and Report ("EIA-RIMA"). These steps are critical to ensuring the project aligns with the latest industry standards and regulatory requirements.

On 5 February 2025, SAM held a meeting with FEAM, during which the licensing organ reaffirmed the Block 8 Project's strategic importance and priority status for the Minas Gerais government. FEAM acknowledged SAM's dedication to restarting the environmental licensing process with the latest tailings dam safety solution and pledged its full technical support. To ensure seamless progress, FEAM will conduct regular meeting with SAM.

Expected Timetable

Many uncertainties, may affect the timetable, by assuming that the LP (preliminary license) is granted in 2027, there is a chance to obtain the LI in 2028 and start trial production in the second half of 2031. The new operation commencement date is expected to be early 2032 (2023: early 2031).

Impairment of Exploration and Evaluation Assets

During the year ended 31 December 2024, the Company reviewed the carrying amount of exploration and evaluation assets and the recoverable amount was valued by an independent professional valuer, BonVision International Appraisal Limited, at US$691 million (approximately HK$5,368 million) (2023: US$1,018 million, approximately HK$7,949 million) and impairment loss of HK$534.2 million was recognised.

Despite the estimated operating cost ("OPEX") decreased from US$32.79 per tonnes to US$31.80 per tonnes (first 18 years) and US$37.25 per tonnes to US$37.12 per tonnes (remaining period of mining) for the year ended 31 December 2024 respectively, the price of iron concentrate was decreased by more than 14% to US$127 per tonnes (2023: US$148 per tonnes). In addition to the impact of the downward price of iron concentrate, the capital expenditure of the iron ore project increased from US$3.25 billion for the year ended 31 December 2023 to US$3.55 billion for the year ended 31 December 2024. The increase in capital expenditure was mainly attributable by the new environmental deposit required by the Minas Gerais state government in Brazil, which applies to all relevant project in the Minas Gerais state. The requirement regulates the measurement and execution of environmental guarantees individually for each dam. The deposit amount was calculated mainly based on reservoir area, classification and purpose of the dam, and should be kept throughout the useful life of the dam, from its startup phase until the de-characterization and socio-environmental recovery.

Other major assumptions for the revaluation have been set out in note 11 of this results announcement.

CONTINGENT CONSIDERATION AND LIABILITIES

Pursuant to the share purchase agreement in relation to the acquisition of SAM (the "SAM SPA"), the total consideration of US$390 million for the acquisition of SAM was to be satisfied in cash in five instalment payments. The first and the second instalment payment amount to US$75 million were settled before the date of Settlement Agreement (details set out in the announcement of the Company dated 13 May 2016). The third, fourth and fifth instalment payment amount to US$115 million, US$100 million and US$100 million were required to be settled according to certain milestones.

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

Conditional additional payment

If, however:

(i) the Group disposes of any or all of its interests in direct or indirect interests of SAM;

(ii) SAM disposes of all or a significant portion of its assets other than the sale of inventory (i.e., pellet feed or other minerals) in the ordinary course of business after the production or extraction of minerals has begun, to a party other than the Group company;

(each a "Disposal Event") after the execution of the Settlement Agreement but before (a) the date by which an aggregate of 100,000 metric tons of pellet feed from any of the areas represented by the exploration permits issued to SAM has been shipped commercially (the "New Mining Production Commencement Date"); or (b) any final and non-appealable order, by any Brazilian regulatory authority, permanently restraining, enjoining or otherwise preventing the consummation of the New Mining Production Commencement Date, whichever is earlier, and the net proceeds from such a Disposal Event exceeds 120% of the Company's investment in SAM and the Project, which comprises:

(1) the amount of US$75,000,000, being part of the acquisition consideration and US$420,000, an incentive payment previously paid to Votorantim (the seller);

(2) the Settlement Payment of US$3,000,000 under the Settlement Agreement;

(3) an amount of US$1,500,000, paid to a third party as fees for preparation of SAM's feasibility study report;

(4) the amount of US$64,175,000, representing the funds loaned to SAM and capital invested in SAM as of the date of the Settlement Agreement; and

(5) the total sum of any additional loans and capital invested (and not repaid, reduced or returned) by the Group in SAM or the Project, in each case which is related to the development of the Project, between the date of the Settlement Agreement and the date of any Disposal Event ("Honbridge's Investment"), with the aggregate of items (1) to (5) above in no event exceeding US$250,000,000, then the net proceeds from the Disposal Event that exceed 120% of Honbridge's Investment shall be shared equally by the Company and Votorantim, with payment to Votorantim in no event to exceed US$60,000,000 (the "Additional Payment"). As at 31 December 2024, the additional loans and capital invested was approximately US$16,870,000.

Conditional mining production payment to Votorantim

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

As at 31 December 2024, the contingent consideration payable was approximately HK$117.5 million (equivalent to approximately US$15.1 million) (2023: HK$119.0 million, equivalent to approximately US$15.2 million).

SHAREHOLDING IN YUXING INFOTECH

As at 31 December 2024, the Group owned 351,867,200 shares of Yuxing InfoTech Investment Holdings Limited ("Yuxing InfoTech"), represented 14.14% equity interests in Yuxing InfoTech, a listed equity investments listed in the GEM of Hong Kong Stock Exchange Limited. The shares could be disposed for working capital of the Company or if the appropriate opportunity or market conditions arrived.

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

On 13 October 2024, the Company entered into subscription agreements (the "Subscription Agreements") with each of the subscribers Hong Bridge Capital Limited, the controlling shareholder of the Company and Mr. Xu Zhihao, the Chairman of the Company, pursuant to which each of Hong Bridge Capital Limited and Mr. Xu Zhihao has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 4,500,000,000 shares and 200,000,000 shares at the subscription price of HK$0.08 per share, respectively (the "Subscriptions").

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

The subscription price of the subscription shares under the Subscription Agreements shall be paid via bank cheque in HK$ or wire transfer. The subscription shares, when allotted and issued, will rank pari passu in all respects among themselves and with the shares in issue on the date of allotment and issue of the subscription shares. There is no restriction which apply to the subsequent sale of the subscription shares.

Hong Bridge Capital Limited is a controlling Shareholder and Mr. Xu is the Chairman of the Company. Accordingly, the transactions contemplated under the Subscription Agreements are connected transactions of the Company under the GEM Listing Rules. The transactions under Subscription Agreements have not completed and as at the date of this announcement.

Usage	**Allocation of Net Proceeds** *HK$ million*
Development of and investment in mineral-related projects	306.4
— Iron-ore project development in Brazil	207.1
— Investment in mineral — related projects	99.3
Operating fund for Zhejiang Forever New Energy Company Limited	25.0
Operating fund for the headquarters of the Group in Hong Kong	43.6
Total	375.0

BUSINESS REVIEW

For the year ended 31 December 2024 ("Year Ended 2024"), the Group recognised HK$126.1 million in revenue, representing a 44.4% decrease when compared to HK$227.0 million revenue recognised for the year ended 31 December 2023 ("Year Ended 2023").

Approximately HK$77.5 million revenue of the Group were contributed by our Zhejiang lithium-ion battery plant. The revenue generated from lithium battery segment has decreased by approximately 55.4% from HK$173.9 million due to the decrease in order from a major customer and the unsatisfactory sales of the parking and starting battery for heavy truck (駐車電池). The remaining revenue were generated by the online car-hailing business in France.

For the Year Ended 2024, the loss for the year of the Company was approximately HK$441.3 million (Year Ended 2023: loss of HK$158.8 million, excluding the discontinued operation). The increase in losses was primarily due to the impairment provision related to exploration and evaluation assets.

The Group recorded a gross profit of approximately HK$34.4 million (gross profit ratio: 27.3%) for the Year Ended 2024 as compared with the gross profit of approximately HK$50.7 million (gross profit ratio: 22.3%) last year. The gross profit ratio improved during the current year, mainly driven by enhanced gross profit in the online car-hailing service segment. This improvement was attributed to a reduction in motor vehicle depreciation, following the recognition of an impairment provision for the Year Ended 2023, as well as a decrease in driver headcount and associated salary expenses. This sector only had a single digit gross profit margin for the Year Ended 2023 due to high driver costs and vehicle depreciation. On the other hand, the lithium battery plant, had a gross profit ratio of 21.9% for the Year Ended 2024 (Year Ended 2023: 27.3%) the gross profit ratio decreased mainly because the number of high margin product sale to our major customer decreased and at the same time the per unit fixed direct cost increased.

Other operating income of approximately HK$21.2 million (Year Ended 2023: expenses of HK$13.1 million) was recognised during the year. The return to income was mainly due to the gain on investments in listed securities for HK$5.2 million for the Year Ended 2024, which improved significantly compare to the loss of HK$36.6 million for the Year Ended 2023 as the share price of Yuxing InfoTech, a listed equity investments listed in the GEM of Hong Kong Stock Exchange Limited rose during the current year.

Because of the decreased in revenue, the maintenance cost for the battery products decreased during the current year and the selling and distribution costs for the Year Ended 2024 was approximately HK$5.2 million (Year Ended 2023: HK$6.9 million).

The administrative expenses decreased by approximately HK$29.5 million or 27.8% when compared to last year. The decrease was mainly contributed by decrease in research and development expense, staff costs and depreciation expenses.

Provision of approximately RMB9.9 million (equivalent to approximately HK$10.7 million) was recognised for the Year Ended 2024. The details have been set out in note 16 of this announcement.

Impairment loss on exploration and evaluation assets of approximately HK$534.2 million, impairment loss on property, plant and equipment of approximately HK$16.3 million and impairment loss on right-of-use asset of approximately HK$2.9 million are recognised for the Year Ended 2024 respectively and the reasons were disclosed in the Management Discussion and Analysis section in this announcement.

Approximately HK$10.0 million finance costs were recognised during the Year Ended 2024 (Year Ended 2023: HK$9.4 million) which were mainly interest expense related to the bank borrowings from a commercial bank in the PRC. There was no additional bank borrowing draw down for the current year and the interest rate was 4.45% per annum for the Year Ended 2024 (Year Ended 2023: 4.55%).

For the Year Ended 2024, the loss for the year of the Company was approximately HK$441.3 million (Year Ended 2023: loss of HK$158.8 million, excluding the discontinued operation). The significant increase in loss for the Year Ended 2024 was primarily attributable to a non-cash loss of HK$352.6 million arising from the exploration and evaluation assets. This included an impairment loss of HK$534.2 million, net of a deferred tax credit of HK$181.6 million. Additionally, there was a decline in gross profit by HK$16.3 million during the same year. These negative impacts were partially offset by the relatively stable share price of the Group's listed investments during the current year. In comparison, for the Year Ended 2023, the loss on financial assets at fair value through profit or loss amounted to HK$36.6 million, mainly due to the decline in the share price of listed securities held by the Company. However, for the current year, there was a gain of HK$5.2 million on financial assets at fair value through profit or loss. Furthermore, administrative expenses decreased by HK$29.5 million and the total impairment loss on financial assets, property, plant and equipment and right-of-use of assets were decreased by HK$23.4 million for the Year Ended 2024, contributing positively to the overall financial performance.

Since March 2020, Shandong Forever New Energy became an associate of the Company. It has stopped production for years and approximately HK$0.2 million share of gain was recognised by the Company for the Year Ended 2024 (Year Ended 2023: loss of HK$0.6 million). In 2023 and 2024, it has been focusing on downsizing and operation simplification. The Company has been seeking the disposal of its interest in Shandong Forever New Energy for years through various means including engaging an international third party agent to seek buyers. However, interest from the market is limited and the factory plant and production line of the Shandong Forever New Energy was built and acquired many years ago and are unable to produce competitive lithium battery products. During the Year Ended 2024, HK$23.9 million impairment on amount due from Shandong Forever New Energy was recognised. The Company engaged an independent professional valuer to carry out a valuation of the recoverable amount of amount due from Shandong Forever New Energy as at 31 December 2024. The valuation of amount due from associate considered expected credit loss ("ECL") method, in which the ECL is based on the assessments considering exposure at default, probability of default, and expected recovery rates.

As at 31 December 2024, the cash and cash equivalent balance of the Group was approximately HK$65.8 million (31 December 2023: HK$167.0 million). As at 31 December 2024, the net current assets of the Group was approximately HK$67.5 million (Year Ended 2023: HK$45.5 million). The increase was mainly due to a reclassification of a current liability related to a repayment to government as a non-current liability.

As at 31 December 2024, the gearing ratio of the Group which is measured by total loans and borrowings to total equity was 3.0% (31 December 2023: 2.6%). The gearing ratio of the Group has increased as the total equity of the Company has decreased mainly due to the depreciation of Brazil Reais against Hong Kong dollars and the impairment of the exploration and evaluation assets for the Year Ended 2024.

EVENTS AFTER THE REPORTING PERIOD

Bauxite Purchase Framework Agreement

On 27 January 2025, the Company and Geely Technology Group Co., Ltd. ("Geely Technology Group") entered into a bauxite purchase framework agreement, which is a continuing connected transaction, pursuant to which Geely Technology Group shall supply bauxite related products to the Group (the "Bauxite Purchase Framework Agreement").

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

Parties:	(1) the Company; and (2) Geely Technology
Date:	27 January 2025 (after trading hours)
Term:	From 17 March 2025 to 31 December 2027
Subject matters:	Pursuant to the Bauxite Purchase Framework Agreement, Geely Technology Group shall supply bauxite related products to the Group. The exact type and amount of goods supplied to the Group by Geely Technology Group and the dates of delivery will be provided in separate purchase orders.

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

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

Save as disclosed above and in this announcement and as at the date of this announcement, there were no material subsequent events after the Year Ended 2024.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group has contracted but not provided for capital commitments in relation to property, plant and equipment amounted to approximately HK$13.5 million.

EMPLOYEES

As at 31 December 2024, the total number of employees of the Group was 164 (2023: 201). Employee benefit expenses (including directors' emoluments) decreased to HK$58.1 million for the Year Ended 2024 (Year Ended 2023: HK$82.0 million), mainly due to the reduction of headcount in China and France. In China, certain manufacturing processes and IT functions were outsourced resulting in a decrease in number of employees. In France, there was a change of human resources strategy to optimise headcount by reducing the number of driver employees during the Year Ended 2024.

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

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

During the Year Ended 2024, neither the Company, its ultimate holding company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CHARGES ON GROUP ASSETS

Details of the charges on assets of the Group are set out in note 15, note 16 and 17 of this announcement.

PROSPECTS

Currently, Geely Technology Group Co., Ltd. has become the indirect controlling shareholder of the Company. Under this background, the Group has commenced a new chapter of development. In order to support the sustainable business development and long-term strategy of the Group, the Company restructured the Board in the fourth quarter of 2024 to lay a solid foundation for future development.

The restructuring aims to enhance the efficiency and decision-making capability of the Board, and include more members with diverse professional expertise and extensive experience to better direct the strategic development and oversee the management of the Group. We believe that the new Board structure will more effectively guide the Group in addressing market challenges and seizing opportunities for development. In addition, we always remain committed to strengthening the internal management to enhance operational efficiency and risk management capability of the Group.

We have adopted a prudent investment strategy by exiting projects that are not in line with the Group's vision, and progressively building a clearer business model focusing on resources, so as to more effectively meet the market demand and identify investment opportunities with resilience and stability. This helps mitigate risks and ensure stable growth of the Group's business. Furthermore, we are actively promoting the environmental assessment work of Brazilian iron ore and developing our bauxite business, while exploring and developing new and sustainable businesses to boost the competitiveness and long-term profitability of the Group. It is our long-term vision and goal to become a widely trusted green supplier of mineral resources, and to contribute to the sustainable development of the society. To this end, in addition to the existing projects in Brazil, the Group also intends to look for high-quality mining resource projects globally.

Last but not least, we will deepen cooperation with Geely Technology Group Co., Ltd., our indirect controlling shareholder, and Zhejiang Geely Holding Group Company Limited, one of Fortune 500 companies, to foster synergies and jointly explore new development opportunities. These close partnerships bring valuable resources and support to the Group, enabling us to overcome challenges and achieve sustainable growth.

We are confident that under the premise of openness, transparency and protection of the interests of minority shareholders, and with the strong and professional team, robust strategies and close collaboration with our partners, the Group will achieve greater success and create higher value for shareholders in the future.

CORPORATE GOVERNANCE PRACTICES

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

The Company complied with the corporate governance code in Appendix C1 to the GEM Listing Rules throughout the Year Ended 2024 with the exception of Code Provision C.2.1 and D.2.5. Code provision C.2.1 requires the roles of Chairman and Chief Executive of the Company should be separate and should not be performed by the same individual. The Board believes that Chairman and Chief Executive performed by the same individual enhances governance and strategic delivery, ultimately benefiting the Group's overall success. Details will be discussed in the corporate governance report to be included in annual report 2024 of the Company. Under Code Provision D.2.5, the Group should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective by the audit committee and the Board. In addition, the audit committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Nevertheless, the Company will review the need for one on an annual basis.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

All Directors have confirmed, following specific enquiry by the Company, their compliance with the required standards of dealings and its code of conduct regarding the directors' securities transaction throughout the Year Ended 2024.

AUDIT COMMITTEE

The primary duties of the audit committee are to review and supervise the financial reporting, internal control procedures, whistleblowing policy and risk management system of the Group. Other duties of the audit committee are set out in its specific terms of reference, which are posted on the website of the Company and the Stock Exchange respectively. The audit committee comprises Mr. Chan Chun Wai, Tony (Committee Chairman), Mr. Ma Gang and Mr. Ha Chun, who are Independent Non-Executive Directors of the Company.

The Group's results announcement for the Year Ended 2024 were reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary results announcement of the Group's results for the Year Ended 2024 have been compared by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by BDO Limited in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by BDO Limited on this results announcement.

As at the date of this results announcement, the Board comprises:

Executive Directors:
Mr. Xu Zhihao *(Chairman and Chief Executive Officer)*
Mr. Xu Bing
Mr. Chen Shengjie
Ms. Gu Wenting
Mr. Liu Wei, William

Non-Executive Director:
Mr. Yan Weimin

Independent Non-Executive Directors:
Mr. Chan Chun Wai, Tony
Mr. Ma Gang
Mr. Ha Chun

On behalf of the Board
Xu Zhihao
Chairman

Hong Kong, 26 March 2025