



HONBRIDGE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8137)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

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

This results announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <https://www.hkexnews.hk> for at least seven days from the date of its publication and on the website of the Company at www.8137.hk.

GROUP RESULTS

The board of directors (the “Board”) of Honbridge Holdings Limited (the “Company”) announces the annual consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 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 2025

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> <i>(Re-presented)</i> |
|---------------------------------------------------------------------------|--------------|--------------------------------|--------------------------------------------------|
| Continuing operations | | | |
| Revenue | 4 | 231,043 | 77,544 |
| Cost of sales | | (221,523) | (60,557) |
| Gross profit | | 9,520 | 16,987 |
| Other operating income, gains and losses | 6 | (5,761) | 19,861 |
| Selling and distribution costs | | (4,637) | (4,962) |
| Administrative expenses | | (48,629) | (46,558) |
| Other expenses | | – | (10,727) |
| Impairment loss on exploration and evaluation assets | 11 | – | (534,169) |
| Impairment loss on financial assets, net | | (3,334) | (23,899) |
| (Loss)/gain on changes in fair value of contingent consideration payables | | (1,510) | 1,576 |
| Share of results of associates | | 45 | 159 |
| Finance costs | | (6,571) | (7,472) |
| Loss before income tax from continuing operations | 7 | (60,877) | (589,204) |
| Income tax credit | 8 | – | 181,617 |
| Loss for the year from continuing operations | | (60,877) | (407,587) |
| Discontinued operation | | | |
| Loss for the year from discontinued operation | | (3,045) | (33,758) |
| Loss for the year | | (63,922) | (441,345) |

| <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> <i>(Re-presented)</i> |
|----------------------------------------------------------------------------------------------|--------------------------------|--------------------------------------------------|
| Loss for the year attributable to: | | |
| Owners of the Company | | |
| — Continuing operations | (46,625) | (400,874) |
| — Discontinued operation | (113) | (12,005) |
| | <u>(46,738)</u> | <u>(412,879)</u> |
| Non-controlling interests | | |
| — Continuing operations | (14,252) | (6,713) |
| — Discontinued operation | (2,932) | (21,753) |
| | <u>(63,922)</u> | <u>(441,345)</u> |
| Loss for the year | (63,922) | (441,345) |
| Other comprehensive income/(loss) | | |
| <i>Item that will not be reclassified subsequently to profit or loss:</i> | | |
| Changes in fair value of equity instruments at fair value through other comprehensive income | (248) | (290) |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | |
| Exchange differences on translation of financial statements of foreign operations | 459,061 | (1,039,653) |
| Share of other comprehensive income of associates | (322) | 239 |
| Release of translation reserve upon disposal of associate | 1,949 | — |
| Release of translation reserve upon disposal of subsidiaries | (1,504) | — |
| | <u>458,936</u> | <u>(1,039,704)</u> |
| Other comprehensive income/(loss) for the year, net of tax | 458,936 | (1,039,704) |
| Total comprehensive income/(loss) for the year | <u>395,014</u> | <u>(1,481,049)</u> |

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> <i>(Re-presented)</i> |
|------------------------------------------------------------------------|--------------|--------------------------------|--------------------------------------------------|
| Total comprehensive income/(loss) for the year attributable to: | | | |
| Owners of the Company | | 411,809 | (1,449,914) |
| Non-controlling interests | | (16,795) | (31,135) |
| | | <u>395,014</u> | <u>(1,481,049)</u> |
| | | | <i>(restated)</i> |
| Loss per share from continuing and discontinued operations | | | |
| | <i>10</i> | | |
| — Basic | | (0.33) cents | (3.07) cents |
| — Diluted | | (0.33) cents | (3.07) cents |
| Loss per share from continuing operations | | | |
| — Basic | | (0.33) cents | (2.98) cents |
| — Diluted | | (0.33) cents | (2.98) cents |
| Loss per share from discontinued operation | | | |
| — Basic | | (0.00) cents | (0.09) cents |
| — Diluted | | <u>(0.00) cents</u> | <u>(0.09) cents</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------------------------------------------------|--------------|--------------------------------|-------------------------|
| ASSETS AND LIABILITIES | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 29,750 | 56,820 |
| Exploration and evaluation assets | 11 | 6,088,165 | 5,367,781 |
| Right-of-use assets | | 33,873 | 34,595 |
| Interest in an associate | | – | 5,810 |
| Financial assets at fair value through other comprehensive income | | 1 | 249 |
| | | <u>6,151,789</u> | <u>5,465,255</u> |
| Current assets | | | |
| Inventories | | 29,855 | 10,335 |
| Trade and bill receivables | 12 | 148,643 | 36,593 |
| Prepayments, deposits and other receivables | 13 | 8,253 | 21,910 |
| Financial assets at fair value through profit or loss | 14 | 30,038 | 49,373 |
| Tax recoverable | | – | 412 |
| Restricted bank deposits | | 13,482 | 16,386 |
| Time deposits with maturity over three months | | 5,598 | 21,373 |
| Cash and cash equivalents | | 386,730 | 65,784 |
| | | <u>622,599</u> | <u>222,166</u> |
| Current liabilities | | | |
| Trade and bill payables | 15 | 182,323 | 38,500 |
| Provision, other payables, accruals and deposits received | 16 | 90,140 | 91,505 |
| Contract liabilities | | 10,837 | 2,103 |
| Borrowings | 17 | 20,202 | 19,459 |
| Lease liabilities | | 4,447 | 3,063 |
| | | <u>307,949</u> | <u>154,630</u> |
| Net current assets | | <u>314,650</u> | <u>67,536</u> |
| Total assets less current liabilities | | <u>6,466,439</u> | <u>5,532,791</u> |

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-----------------------------------------------------------|--------------|--------------------------------|-------------------------|
| Non-current liabilities | | | |
| Provision, other payables, accruals and deposits received | <i>16</i> | 44,400 | 85,137 |
| Borrowings | <i>17</i> | 69,486 | 85,988 |
| Lease liabilities | | – | 11,591 |
| Deferred tax liabilities | | 1,944,846 | 1,706,319 |
| Other financial liabilities | | – | 12,337 |
| Contingent consideration payables | | 118,981 | 117,471 |
| | | <u>2,177,713</u> | <u>2,018,843</u> |
| Net assets | | <u>4,288,726</u> | <u>3,513,948</u> |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | | 14,555 | 9,855 |
| Reserves | | 4,333,747 | 3,549,434 |
| | | 4,348,302 | 3,559,289 |
| Non-controlling interests | | <u>(59,576)</u> | <u>(45,341)</u> |
| Total equity | | <u>4,288,726</u> | <u>3,513,948</u> |

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 in Hong Kong is Suite 5402, 54th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in research & development and production of lithium-ion power batteries for new energy vehicles, and investment in the field of resources and resources exploration, exploitation and trading. The Company and its subsidiaries are collectively referred to as the “Group” hereinafter.

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.

(d) Re-presentation due to discontinued operation

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

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

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 as issued by HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2025.

| | |
|----------------------|-------------------------|
| Amendments to HKAS21 | Lack of Exchangeability |
|----------------------|-------------------------|

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

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ 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 Group's consolidated financial statements.

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

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

HKFRS 18 “Presentation and Disclosure in the Financial Statements”

HKFRS 18 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 has assessed the impact of the new standard, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group has also assessed the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as “others”. These amendments have no effect on the measurement of any items in the consolidated financial statements of the Group but affect the presentation and disclosure to the consolidated financial statements.

4. REVENUE

Customers by major products or service lines is as follows:

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

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

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") and Brazil.

The Group has identified the following reportable segments:

Continuing operations:

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

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

During the year ended 31 December 2025, the Group identified its online car-hailing and related services as discontinued operation upon disposal of subsidiaries. The segment information 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 HKFRSs, except that corporate income and expenses which are not included in arriving at the operating results of the operating segment.

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

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

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

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

6. OTHER OPERATING INCOME, GAINS AND LOSSES

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

Notes:

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

7. LOSS BEFORE INCOME TAX

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

Notes:

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

8. INCOME TAX CREDIT

| | 2025 | 2024 |
|-------------------------------|------------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| 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% (2024: 25%) is applicable to the subsidiaries operated in the PRC.

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

9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the years ended 31 December 2025 and 2024.

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.

| | 2025 '000 | 2024 '000 <i>(restated)</i> |
|------------------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------------|
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share | <u>14,328,220</u> | <u>13,457,166</u> |
| (a) From continuing and discontinued operations | | |
| | 2025 HK\$'000 | 2024 HK\$'000 |
| Loss for the purpose of calculating basic loss per share | <u>(46,738)</u> | <u>(412,879)</u> |
| (b) From continuing operations | | |
| | 2025 HK\$'000 | 2024 HK\$'000 |
| Loss for the year attributable to owners of the Company | (46,738) | (412,879) |
| Less: loss for the year from discontinued operation | <u>(113)</u> | <u>(12,005)</u> |
| Loss for the purpose of calculating basic loss per share from continuing operations | <u>(46,625)</u> | <u>(400,874)</u> |
| (c) From discontinued operation | | |
| | 2025 HK\$'000 | 2024 HK\$'000 |
| Loss for the purpose of calculating basic loss per share from discontinued operation | <u>(113)</u> | <u>(12,005)</u> |

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

Bonus element arising from the issue of shares on share subscription completed on 27 March 2025 at the price lower than market value has been adjusted on the determination of weighted average number of shares. Weighted average number of shares for the year ended 31 December 2024 has been restated accordingly.

11. EXPLORATION AND EVALUATION ASSETS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-----------------------------------------------|-------------------------|-------------------------|
| At 1 January | | |
| Cost | 5,901,950 | 7,467,157 |
| Accumulated impairment | <u>(534,169)</u> | <u>–</u> |
| Net book amount | <u>5,367,781</u> | <u>7,467,157</u> |
| For the year ended 31 December | | |
| Opening net book amount | 5,367,781 | 7,467,157 |
| Additions | 9,987 | 2,417 |
| Additions through acquisition of subsidiaries | 8,847 | – |
| Impairment loss | – | (534,169) |
| Exchange difference | <u>701,550</u> | <u>(1,567,624)</u> |
| Net book amount | <u>6,088,165</u> | <u>5,367,781</u> |
| At 31 December | | |
| Cost | 6,622,334 | 5,901,950 |
| Accumulated impairment | <u>(534,169)</u> | <u>(534,169)</u> |
| Net book amount | <u>6,088,165</u> | <u>5,367,781</u> |

As at 31 December 2025 and 2024, exploration and evaluation assets represented the rights to explore and identify prospective deposits of mineral resources in the states of Minas Gerais, Brazil and the expenditures incurred in the search for mineral resources.

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

During the year ended 31 December 2025, the directors of the Company reviewed the carrying amount of exploration and evaluation assets, no impairment had been identified and recognised in the consolidated statement of profit or loss and other comprehensive income.

The recoverable amount of exploration and evaluation assets was 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.

12. TRADE AND BILL RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------------------|-------------------------|-------------------------|
| Trade receivables — Gross | 152,449 | 37,217 |
| Less: Impairment losses | <u>(3,806)</u> | <u>(794)</u> |
| Trade receivables — Net | 148,643 | 36,423 |
| Bill receivables | <u>—</u> | <u>170</u> |
| | <u>148,643</u> | <u>36,593</u> |

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| 0–30 days | 143,160 | 8,079 |
| 31–90 days | — | 8,088 |
| 91 to 180 days | 4,974 | 19,198 |
| Over 180 days | <u>4,315</u> | <u>2,022</u> |
| | <u>152,449</u> | <u>37,387</u> |

As at 31 December 2025 and 2024, the Group did not hold any collateral as security or other credit enhancements over the trade and bill receivables.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|------------------------------------------------|-------------------------|-------------------------|
| Deposits | 634 | 9,581 |
| Value added tax receivables | 2,990 | 7,150 |
| Other receivables | 859 | 1,058 |
| Prepayment | 3,770 | 2,017 |
| Amount due from an associate, net of allowance | <u>—</u> | <u>2,104</u> |
| | <u>8,253</u> | <u>21,910</u> |

The amount due from an associate is unsecured, bears no interest and is repayable on demand.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------------------------------------|-------------------------|-------------------------|
| Listed equity investments, at market value, | | |
| — in Hong Kong — held for trading | 29,909 | 49,261 |
| — In overseas — held for trading | 129 | 112 |
| | <u>30,038</u> | <u>49,373</u> |

At 31 December 2025 and 2024, the Group holds 14.14% (2024: 14.14%) equity interests in a company listed in Hong Kong.

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

15. TRADE AND BILL PAYABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Trade payables | 168,841 | 23,980 |
| Bill payables | 13,482 | 14,520 |
| | <u>182,323</u> | <u>38,500</u> |

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------|-------------------------|-------------------------|
| 0–30 days | 139,495 | 9,488 |
| 31–60 days | 3,639 | 9,617 |
| 61–90 days | 4,210 | 7,395 |
| 91–180 days | 32,638 | 835 |
| Over 180 days | 2,341 | 11,165 |
| | <u>182,323</u> | <u>38,500</u> |

Note:

At 31 December 2025, bill payables are secured by the Group's restricted bank deposits of approximately HK\$13,482,000 (2024: HK\$16,386,000).

16. PROVISION, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------------------|-------------------------|-------------------------|
| Provision | 92,116 | 119,052 |
| Other payables (<i>Note a</i>) | 26,660 | 40,888 |
| Accrued expenses | 10,014 | 3,263 |
| Deposits received | 5,750 | 11,027 |
| Amount due to shareholder | – | 2,412 |
| | <u>134,540</u> | <u>176,642</u> |
| Analysed for reporting purposes as: | | |
| Non-current liabilities | 44,400 | 85,137 |
| Current liabilities | 90,140 | 91,505 |
| | <u>134,540</u> | <u>176,642</u> |

Note:

- (a) The other payables of HK\$2,146,000 (2024: HK\$613,000) is related to purchase of property, plant and equipment.

17. BORROWINGS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------|-------------------------|-------------------------|
| Bank overdraft | – | 90 |
| Bank loans | 89,688 | 105,357 |
| | <u>89,688</u> | <u>105,447</u> |
| Represented by: | | |
| Current liabilities | 20,202 | 19,459 |
| Non-current liabilities | 69,486 | 85,988 |
| | <u>89,688</u> | <u>105,447</u> |

Note:

As at 31 December 2025, bank loans of HK\$89,688,000 (2024: HK\$105,357,000) are secured by the Group's right-of-use assets and property, plant and equipment with carry amounts of HK\$31,022,000 and HK\$9,933,000 (2024: HK\$30,478,000 and HK\$9,977,000) respectively and the corporate guarantee from Zhejiang Geely Automobile Company Limited, a related party of the Company. Bank loans were repayable by instalments up to 3 June 2029 and were interest bearing at 3.75% (2024: 4.45%) per annum.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Lithium-Ion Battery Business

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

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

The Principal Risks and Uncertainties for Lithium-Ion Batteries Segment

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

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

Increasing Raw Materials and Purchase Costs

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

Others

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

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

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

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

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

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

Disposal of Shandong Forever New Energy and Assignment of Debts

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

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

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

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

Online Car-Hailing Business

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

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

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

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

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

Disposal of Jixing International

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

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

Ore Trading Business

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

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

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

Progress of SAM Iron Ore Project

1. Project Overview and Technical Development

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

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

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

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

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

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

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

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

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

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

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

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

2. *Environmental Licensing and EIA-RIMA Progress*

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

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

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

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

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

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

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

4. *Logistics Infrastructure and Pipeline Project*

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

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

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

Expected Timetable

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

Capex and Opex

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

The Principal Risks and Uncertainties for The SAM Project

Iron ore price risk

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

Risk of SAM project will not be materialized

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

SHAREHOLDING IN YUXING INFOTECH

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

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

On 20 January 2025, Triumphant Glory Investments Limited (凱榮投資有限公司) (“Triumphant Glory”), a wholly owned subsidiary of the Company, Zhejiang Geely Automobile Co., Ltd.* (浙江吉利汽車有限公司) (“Geely Auto”) and Suzhou Apleisi 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 Apleisi”), entered into an equity transfer agreement (“Shandong Forever New Energy Equity Transfer Agreement”), pursuant to which Triumphant Glory and Geely Auto agreed to sell, and Suzhou Apleisi agreed to purchase approximately 24.5% and approximately 17.0% equity interests in the Shandong Forever New Energy at a consideration of RMB9,290,000 and RMB5,510,000, respectively, to be settled in cash (the “Disposal”).

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

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

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

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

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

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

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

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

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

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

Use of proceeds from the Subscriptions

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

DISCLOSEABLE AND CONNECTED TRANSACTION — ENTERING INTO THE EQUITY TRANSFER AGREEMENT

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

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

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

MEMORANDUM OF STRATEGIC COOPERATION

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

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

CONTINUING CONNECTED TRANSACTIONS

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

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

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

Reasons for and Benefits of the 2023 Sales Agreement

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

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

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

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

Sales Annual Caps for the 2023 Sales Agreement

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

| | For the period from 23 October 2023 to 31 December 2023 RMB'000 | For the year ended 31 December 2024 RMB'000 | For the year ending 31 December 2025 RMB'000 | For the period from 1 January 2026 to 22 October 2026 RMB'000 |
|-------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Sales Annual Caps | 50,000 | 235,000 | 155,000 | 97,000 |

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

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

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

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

Reasons for and Benefits of the Purchase Framework Agreement

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

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

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

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

Purchase Annual Caps for the Purchase Framework Agreement

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

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

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

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

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

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

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

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

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

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

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

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

Purchase Annual Caps for the Bauxite Purchase Framework Agreement

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

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

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

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

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

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

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

FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL COMMITMENTS

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

EMPLOYEES

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

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

CONTINGENT CONSIDERATION AND LIABILITIES

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

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

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

Conditional additional payment

If, however:

- (i) the Group disposes of any or all of its interests in direct or indirect interests of SAM;
- (ii) SAM disposes of all or a significant portion of its assets other than the sale of inventory (i.e., pellet feed or other minerals) in the ordinary course of business after the production or extraction of minerals has begun, to a party other than the Group company; (each a “Disposal Event”) after the execution of the Settlement Agreement but before (a) the date by which an aggregate of 100,000 metric tons of pellet feed from any of the areas represented by the exploration permits issued to SAM has been shipped commercially (the “New Mining Production Commencement Date”); or (b) any final and non-appealable order, by any Brazilian regulatory authority, permanently restraining, enjoining or otherwise preventing the consummation of the New Mining Production Commencement Date, whichever is earlier, and the net proceeds from such a Disposal Event exceeds 120% of the Company’s investment in SAM and the Project, which comprises:
 - (1) the amount of US\$75,000,000, being part of the acquisition consideration and US\$420,000, an incentive payment previously paid to Votorantim (the seller);
 - (2) the Settlement Payment of US\$3,000,000 under the Settlement Agreement;
 - (3) an amount of US\$1,500,000, paid to a third party as fees for preparation of SAM’s feasibility study report;
 - (4) the amount of US\$64,175,000, representing the funds loaned to SAM and capital invested in SAM as of the date of the Settlement Agreement; and

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

Conditional mining production payment to Votorantim

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

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

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

During the Year Ended 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

CHARGES ON GROUP ASSETS

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

PROSPECTS

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

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

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

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

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

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

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

CORPORATE GOVERNANCE PRACTICES

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

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

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 2025.

AUDIT COMMITTEE

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

The Group’s results announcement for the Year Ended 2025 were reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary results announcement of the Group’s results for the Year Ended 2025 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

Independent Non-Executive Directors:

Dr. Wang Jiwei

Mr. Wang Baogang

Mr. Huang Yongzhong

On behalf of the Board

Xu Zhihao

Chairman

Hong Kong, 26 March 2026