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

EMBRACING CHANGE:

REDEFINING OUR BUSINESS, OPENING NEW HORIZONS

HALF YEAR REPORT

2026

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.

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

CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Li Yat Ming

Authorised Representatives

Mr. Chen Shengjie
Mr. Li Yat Ming

Audit Committee

Dr. Wang Jiwei *(Committee Chairman)*
Mr. Wang Baogang
Mr. Huang Yongzhong

Remuneration Committee

Mr. Huang Yongzhong *(Committee Chairman)*
Mr. Xu Bing
Mr. Chen Shengjie
Dr. Wang Jiwei
Mr. Wang Baogang

Nomination Committee

Mr. Xu Zhihao *(Committee Chairman)*
Ms. Gu Wenting
Dr. Wang Jiwei
Mr. Wang Baogang
Mr. Huang Yongzhong

Auditor

BDO Limited

Principal Bankers

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

Registered Office

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

Head Office And Principal Place Of Business

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

Share Registrar and Transfer Office

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

Stock Code

8137

Company Website

www.8137.hk

UNAUDITED CONSOLIDATED HALF YEAR RESULTS

The board of directors (the "Board") of Honbridge Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026, together with the comparative unaudited figures for the corresponding period in 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME — UNAUDITED

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Revenue	*2*	**61,678**	15,487
Cost of sales		**(57,376)**	(15,274)
Gross profit		**4,302**	213
Other operating income, gains and losses	*4*	**2,624**	(8,707)
Selling and distribution costs		**(513)**	(1,816)
Administrative expenses		**(18,846)**	(26,492)
Reversal of impairment loss on financial assets		**3,334**	–
Share of results of an associate	*13*	**–**	(88)
Finance costs	*5*	**(2,843)**	(3,202)
Loss before income tax from continuing operations	*6*	**(11,942)**	(40,092)
Income tax	*7*	**–**	–
Loss for the period from continuing operations		**(11,942)**	(40,092)
Discontinued operation			
Loss for the period from discontinued operation	*10*	**–**	(3,054)
Loss for the period		**(11,942)**	(43,146)
Loss for the period attributable to:			
Owners of the Company			
— Continuing operations		**(8,530)**	(31,798)
— Discontinued operation		**–**	(764)
		(8,530)	(32,562)
Non-controlling interests			
— Continuing operations		**(3,412)**	(8,294)
— Discontinued operations		**–**	(2,290)
		(3,412)	(10,584)
		(11,942)	(43,146)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME — UNAUDITED — CONTINUED

		Six months ended 30 June	
	Notes	**2026** ***HK$'000***	2025 *HK$'000*
Loss for the period		**(11,942)**	(43,146)
Other comprehensive income/(loss)			
Item that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**–**	(240)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**250,337**	534,563
Share of other comprehensive income of associates		**–**	(220)
Release of translation reserve upon disposal of subsidiaries		**–**	(1,803)
Other comprehensive income/(loss) for the period, net of tax		**250,337**	532,300
Total comprehensive income/(loss) for the period		**238,395**	489,154
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		**244,153**	499,456
Non-controlling interests		**(5,758)**	(10,302)
		238,395	489,154
Loss per share from continuing and discontinued operations	*9*		
— Basic		**HK(0.06) cent**	HK(0.27) cent
— Diluted		**HK(0.06) cent**	HK(0.27) cent
Loss per share from continuing operations	*9*		
— Basic		**HK(0.06) cent**	HK(0.26) cent
— Diluted		**HK(0.06) cent**	HK(0.26) cent
Loss per share from discontinued operation	*9*		
— Basic		**N/A**	HK(0.01) cent
— Diluted		**N/A**	HK(0.01) cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		29,044	29,750
Exploration and evaluation assets	11	6,480,874	6,088,165
Financial assets at fair value through other comprehensive income	12	–	1
Interests in an associate	13	–	–
Right-of-use assets	14	34,364	33,873
		6,544,282	6,151,789
Current assets			
Inventories		24,187	29,855
Trade and bill receivables	15	11,268	148,643
Prepayments, deposits and other receivables		5,237	8,253
Financial assets at fair value through profit or loss	16	25,120	30,038
Restricted bank deposits		–	13,482
Time deposits with maturity over three months		3,181	5,598
Cash and cash equivalents		430,570	386,730
Total current assets		499,563	622,599
Current liabilities			
Trade and bill payables	17	67,221	182,323
Provision, other payables, accruals and deposits received	18	100,851	90,140
Contract liabilities		10,663	10,837
Borrowings	19	31,395	20,202
Lease liabilities		3,515	4,447
		213,645	307,949
Net current assets		285,918	314,650
Total assets less current liabilities		6,830,200	6,466,439
Non-current liabilities			
Borrowings	19	61,525	69,486
Deferred tax liabilities	20	2,075,978	1,944,846
Contingent consideration payables	22	119,576	118,981
Provision, other payables, accruals and deposits received	18	46,000	44,400
		2,303,079	2,177,713
Net assets		4,527,121	4,288,726
EQUITY			
Equity attributable to the owners of the Company			
Share capital		14,555	14,555
Reserves		4,577,900	4,333,747
		4,592,455	4,348,302
Non-controlling interests		(65,334)	(59,576)
Total equity		4,527,121	4,288,726

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY — UNAUDITED

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Treasury shares reserve HK$'000	Translation reserve HK$'000	Fair value through other comprehensive income reserve HK$'000	Other reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
2026										
At 1 January 2026	14,555	3,934,311	(62,078)	(6,207,104)	(103,866)	(7,647)	6,780,131	4,348,302	(59,576)	4,288,726
Loss for the period	–	–	–	–	–	–	(8,530)	(8,530)	(3,412)	(11,942)
Other comprehensive income/ (loss)										
Currency translation	–	–	–	252,683	–	–	–	252,683	(2,346)	250,337
Total comprehensive loss	–	–	–	252,683	–	–	(8,530)	244,153	(5,758)	238,395
At 30 June 2026	14,555	3,934,311	(62,078)	(5,954,421)	(103,866)	(7,647)	6,771,601	4,592,455	(65,334)	4,527,121
2025										
At 1 January 2025	9,855	3,563,686	(62,078)	(6,665,899)	(103,618)	(7,647)	6,824,990	3,559,289	(45,341)	3,513,948
Issuance of shares through placement	4,700	371,300	–	–	–	–	–	376,000	–	376,000
Disposal of a subsidiary	–	–	–	–	–	–	–	–	2,225	2,225
Deemed contribution arising from disposal of subsidiaries *(Note 21)*	–	–	–	–	–	–	2,530	2,530	–	2,530
Loss for the period	–	–	–	–	–	–	(32,562)	(32,562)	(10,584)	(43,146)
Other comprehensive income										
Currency translation	–	–	–	534,281	–	–	–	534,281	282	534,563
Changes of fair value of financial assets at fair value through other comprehensive income	–	–	–	–	(240)	–	–	(240)	–	(240)
Share of other comprehensive income of an associate	–	–	–	(220)	–	–	–	(220)	–	(220)
Release of translation reserve upon disposal of subsidiaries *(Note 21)*	–	–	–	(1,803)	–	–	–	(1,803)	–	(1,803)
Total comprehensive income	–	–	–	532,258	(240)	–	(32,562)	499,456	(10,302)	489,154
At 30 June 2025	14,555	3,934,986	(62,078)	(6,133,641)	(103,858)	(7,647)	6,794,958	4,437,275	(53,418)	4,383,857

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS — UNAUDITED

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Net cash from/(used in) operating activities	**31,808**	(9,943)
Net cash from/(used in) investing activities:		
Purchases of property, plant and equipment	**(806)**	–
Interest received	**4,158**	2,143
Release of restricted bank deposits	**13,846**	6,484
Disposal of subsidiaries, net of cash disposal of	**–**	(4,364)
Release of time deposits with maturity over three months	**2,790**	–
Purchase of exploration and evaluation assets	**(7,025)**	(9,516)
	12,963	(5,253)
Net cash (used in)/from financing activities:		
Repayment of borrowings	**(10,374)**	(9,866)
Interest paid on borrowings	**(2,741)**	(3,139)
Interest paid on lease liabilities	**(102)**	(63)
Placing of shares	**–**	376,000
Drawdown of borrowings	**10,374**	–
Other financing cash flows	**(946)**	(776)
	(3,789)	362,156
Net increase in cash and cash equivalents	**40,982**	346,960
Cash and cash equivalents, at beginning of period	**386,730**	65,784
Effect of foreign exchange rate changes	**2,858**	(1,769)
Cash and cash equivalents, at end of period	**430,570**	410,975
Analysis of cash and cash equivalents		
Cash at banks and in hand	**430,570**	410,975

Notes:

1. BASIS OF PRESENTATION AND CHANGES IN ACCOUNTING POLICIES

The unaudited consolidated financial statements for the six months ended 30 June 2026 have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

The financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

These financial statements should be read, where relevant, in conjunction with the 2025 annual report.

The accounting policies adopted in the 2025 annual financial statements have been consistently applied to these financial statements. The new or amended HKFRS Accounting Standards that are effective from 1 January 2026 did not have any significant impact on the Group's accounting policies. The Group has not applied any new or amended HKFRS Accounting Standards that are not yet effective.

2. REVENUE

Revenue represents total invoiced value of goods supplied and income from provision of services.

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Continuing operations:		
Sale of bauxite	**52,035**	–
Sale of lithium-ion batteries	**9,643**	11,600
Battery testing service income	**–**	3,887
	61,678	15,487
Discontinued operation:		
Online car-hailing service and related income	**–**	6,899
	–	6,899
	61,678	22,386

3. SEGMENT INFORMATION

The Group has identified its operating segment and prepared segment information based on the regular internal financial information reported to the Group'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 PRC and Brazil.

The Company is an investment holding company. Principal places of the Group's operations are Hong Kong, the PRC and Brazil.

3. SEGMENT INFORMATION — CONTINUED

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

	Continuing operations			
	Mineral resources exploration *HK$'000*	Lithium-ion battery business *HK$'000*	Bauxite business *HK$'000*	Total *HK$'000*
Six months ended 30 June 2026				
Reportable segment revenue (external customers)	–	9,643	52,035	61,678
Reportable segment losses/(profits)	5,117	5,982	(4,586)	6,513
Reportable segment assets	6,486,085	100,499	100,550	6,687,134
Reportable segment liabilities	121,516	233,816	81,450	436,782
Capital expenditure	7,057	–	–	7,057
Depreciation and amortisation	19	1,782	–	1,801

	Continuing operations			
	Mineral resources exploration *HK$'000*	Lithium-ion battery business *HK$'000*	Bauxite business *HK$'000*	Total *HK$'000*
Six months ended 30 June 2025				
Reportable segment revenue (external customers)	–	15,487	–	15,487
Reportable segment losses	6,778	17,499	–	24,277
Reportable segment assets	6,194,317	172,369	–	6,366,686
Reportable segment liabilities	119,270	283,973	–	403,243
Capital expenditure	–	–	–	–
Depreciation and amortisation	392	2,631	–	3,023

3. SEGMENT INFORMATION — CONTINUED

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Continuing operations:		
Reportable segment revenue	**61,678**	15,487
Reportable segment losses	**(6,513)**	(24,277)
Other operating income, gains and losses	**4,013**	3,567
Administrative expenses	**(4,422)**	(5,854)
(Loss)/gain on financial assets at fair value through profit or loss	**(4,918)**	(13,377)
Share of results of an associate	**–**	(88)
Finance costs	**(102)**	(63)
Loss before income tax	**(11,942)**	(40,092)

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Continuing operations:		
Reportable segment assets	**6,687,134**	6,398,938
Property, plant and equipment	**747**	–
Prepayments, deposits and other receivables	**910**	1,260
Financial assets at fair value through profit or loss	**25,120**	30,038
Financial assets at fair value through other comprehensive income	**–**	1
Right-of-use assets	**2,223**	2,851
Interests in an associate	**–**	–
Cash and cash equivalents	**327,711**	341,300
	7,043,845	6,774,388
Reportable segment liabilities	**436,781**	536,145
Other payables and accrued expenses	**450**	224
Lease liabilities	**3,515**	4,447
Deferred tax liabilities	**2,075,978**	1,944,846
	2,516,724	2,485,662

3. SEGMENT INFORMATION — CONTINUED

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue from external customers		
PRC	**61,678**	15,487
Reportable segment revenue	**61,678**	15,487

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Non-current assets (excluding financial assets)		
Hong Kong	**2,971**	2,851
PRC	**60,437**	60,430
Brazil	**6,480,874**	6,088,507
Reportable segment non-current assets	**6,544,282**	6,151,788

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

Information about major customers

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Customer A[1]	**52,035**	–
Customer B[2]	**8,287**	3,887
Customer C[2]	**–**	2,634

1 Revenue from bauxite business segment
2 Revenue from lithium-ion battery business segment

4. OTHER OPERATING INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Continuing operations:		
Bank interest income	**4,158**	2,143
Government grants	**1,162**	–
Net (loss)/gain on financial assets at fair value through profit or loss	**(4,918)**	(13,376)
Exchange gain	**377**	4
Sundry income	**1,851**	318
(Loss)/gain on lease modification	**(6)**	2,204
	2,624	(8,707)
Discontinued operations:		
Sundry income	**–**	1,383
	–	1,383
	2,624	(7,324)

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Continuing operations:		
Interest charges on borrowings wholly repayable within five years	**2,741**	3,139
Finance costs on lease liabilities	**102**	63
	2,843	3,202
Discontinued operations:		
Interest charges on borrowings wholly repayable within five years	**–**	–
Interest on other financial liabilities	**–**	381
	–	381
	2,843	3,583

6. LOSS BEFORE INCOME TAX

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss before income tax are arrived at after charging:		
Continuing operations:		
Depreciation and amortisation	**2,463**	3,742
Discontinued operations:		
Depreciation and amortisation	**–**	1,304

7. INCOME TAX

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Continuing operations:		
Overseas tax		
Current period	**–**	–
Deferred tax	**–**	–
Income tax	**–**	–

During the six months ended 30 June 2025 and 2026, no provision for Hong Kong profits tax has been provided by the Group as the Group had no estimated assessable profit arising in or derived from Hong Kong. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

During the period, corporate income tax rates in Brazil of 34% is applicable to Sul Americana de Metais S.A. ("SAM"), being the Group's subsidiary established in Brazil.

The PRC corporate income tax rate of 25% is applicable to the Group's PRC subsidiaries during the period.

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

8. DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. 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 period.

	Six months ended 30 June	
	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**14,503,652**	12,296,469

(a) From continuing and discontinued operations

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss for the purpose of calculating basic loss per share	**(8,530)**	(32,562)

(b) From continuing operations

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(8,530)**	(32,562)
Less: loss for the year from discontinued operation	**–**	(764)
Loss for the purpose of calculating basic loss per share from continuing operations	**(8,530)**	(31,798)

(c) From discontinued operation

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss for the purpose of calculating basic loss per share from discontinued operation	**–**	(764)

For the period ended 30 June 2026 and 2025, there were no potential ordinary share in issue. Accordingly, the diluted loss per share presented are the same as the basic loss per share.

10. DISCONTINUED OPERATION

On 21 March 2025, a non-wholly owned subsidiary of the Company entered into agreements with a related party of the Company in relation to the disposal of the entire issued share capital of Jixing International Technology Company Limited ("Jixing International"). Jixing International was principally engaged in research and development of mobile and online applications and provision of transportation service. The disposal was completed on 3 April 2025. The results and cash flows of the discontinued operation of online car-hailing and related services as well as the gain on disposal are set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the online car-hailing and related services operation as a discontinued operation.

	Six months ended 30 June 2026 ***HK$'000***	Six months ended 30 June 2025* *HK$'000*
Revenue	–	6,899
Cost of revenue	–	(3,659)
Gross profit	–	3,240
Other operating income, gains and losses	–	1,383
Administrative expenses	–	(9,099)
Finance costs	–	(381)
Loss before income tax	–	(4,857)
Income tax expense	–	–
Loss after income tax from discontinued operation	–	(4,857)

The consolidated loss for the period from discontinued operation is set out below:

	Six months ended 30 June 2026 ***HK$'000***	Six months ended 30 June 2025* *HK$'000*
Loss for the period from discontinued operation	–	(4,857)
Release of translation reserve upon disposal of subsidiaries *(Note 21)*	–	1,803
	–	(3,054)
Cash flows from discontinued operation:		
Operating cash flows	–	(1,324)
Investing cash flows	–	1,899
Financing cash flows	–	(90)
Net cash flows	–	485

* For the period from 1 January 2025 to the date of disposal (i.e. 3 April 2025).

The carrying amounts of the assets and liabilities of Jixing International at the date of disposal are disclosed in note 21.

11. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets represented the rights to explore and identify to prospective deposits of mineral resources in the states of Minas Gerais, Brazil and the expenditures incurred in the search for mineral resources.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Listed:		
Equity instruments measured at FVOCI	–	1

The balance represented the Group's strategic investments in LuoKung Technology Corp. (Nasdaq: LKCO). The equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

13. INTERESTS IN AN ASSOCIATE

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Interest in an associate:		
Cost of investment in unlisted associate	–	–
Share of post-acquisition losses and other comprehensive loss	–	–
Share of net assets	–	–

13. INTERESTS IN AN ASSOCIATE — CONTINUED

Movement of interests in an associate is as follows:

	2026 *HK$'000* (Unaudited)	2025 *HK$'000* (Unaudited)
As at 1 January	–	5,810
Share of results of an associate	–	(88)
Share of other comprehensive income	–	(220)
As at 30 June	–	5,502

Details of the Group's associate as at 30 June 2025 are as follows:

Name	Place of incorporation/operation and principal activity	Percentage of ownership interests/voting rights/profit share
Shandong Forever New Energy Company Limited ("Shandong Forever")	People's Republic of China/research, production and sales of lithium battery	24.5% (indirectly)

During the year ended 31 December 2025, the Group completed the disposal of its entire interest in Shandong Forever and its receivables from Shandong Forever.

14. RIGHT-OF-USE ASSETS

	HK$'000 (Unaudited)
As at 1 January 2026	33,873
Amortisation	(627)
Exchange difference	1,118
At 30 June 2026	34,364

The right-of-use assets represent the Group's prepaid land lease payments and lease of properties and offices for its operations. Prepaid land lease payments represented up-front payments to acquire long-term interest in the usage of land situated in the PRC. The leases of properties and offices run for an initial period ranged from one to ten years. Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

15. TRADE AND BILL RECEIVABLES

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Trade receivables — Gross	10,726	152,449
Less: Impairment losses	(394)	(3,806)
Trade receivables — Net	10,332	148,643
Bill receivables	936	–
	11,268	148,643

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

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
0 to 30 days	1,830	143,160
31 to 90 days	–	–
91 to 180 days	5,242	4,974
Over 180 days	4,590	4,315
	11,662	152,449

As at 30 June 2026 and 31 December 2025, the Group did not hold any collateral as security or other credit enhancements over trade receivables.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Listed equity investments, at market value,		
— in Hong Kong — held for trading	**24,982**	29,909
— in overseas — held for trading	**138**	129
	25,120	30,038

The balance mainly represented the fair value of 14.14% equity interests (31 December 2025: 14.14%) in Yuxing InfoTech Investment Holdings Limited (HK stock code: 8005), a company listed on the GEM of the Stock Exchange. The Company is not accounted for an equity method as the Group does not have the power to participate in its operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level.

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

17. TRADE AND BILL PAYABLES

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
Trade payables	**67,221**	168,841
Bill payables	**–**	13,482
	67,221	182,323

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

	As at 30 June 2026 ***HK$'000*** **(Unaudited)**	As at 31 December 2025 *HK$'000* (Audited)
0–30 days	**233**	139,495
31–60 days	**382**	3,639
61–90 days	**–**	4,210
91–180 days	**63,872**	32,638
Over 180 days	**2,734**	2,341
	67,221	182,323

18. PROVISION

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

On 15 July 2024, Zhejiang Forever has entered into an agreement with the Government. Based on the consequence of the agreement, further provision of approximately RMB9.9 million (equivalent to approximately HK$10.7 million) was recognised in profit or loss for the year ended 31 December 2024.

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

As at 30 June 2026, RMB64.1 million (as at 31 December 2025: RMB64.1 million) has been repaid.

19. BORROWINGS

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Bank loan *(Note (a))*	82,455	89,688
Loan from a related company *(Note(b))*	10,465	–
	92,920	89,688
Represented by:		
Current liabilities	31,395	20,202
Non-current liabilities	61,525	69,486
	92,920	89,688

(a) The bank loans are secured by the Group's right-of-use assets and property, plant and equipment and the corporate guarantee from Zhejiang Geely Holding Group Co., Ltd. Bank loans were repayable by instalments up to 3 June 2029 and were interest bearing in range of 3% to 3.75% (for the period ended 30 June 2025: in range of 3.5% to 3.6%) per annum.

(b) The amount represents a loan from Zhejiang Jiyaotongxing Energy Technology Co., Ltd.* (浙江吉曜通行能源科技有限公司) ("Zhejiang Jiyaotongxing"), which is unsecured, carried interest rate at 3% per annum and repayable within one year. Zhejiang Jiyaotongxing is an indirectly non wholly-owned subsidiary of Mr. Li Shufu, a controlling shareholder of the Company. Thus, Zhejiang Jiyaotongxing is considered as a related company of the Company.

* The English name is for identification purpose only

20. DEFERRED TAX LIABILITIES

Deferred taxation is calculated in full on temporary differences under liability method using the tax rates applicable in the tax jurisdiction concerned. The amount was mainly arising from the fair value adjustment and/or translation difference of exploration and evaluation assets.

21. DISPOSAL OF SUBSIDIARIES

As disclosed in note 10 to the consolidated financial statements, on 21 March 2025, a subsidiary of the Company ("Vendor") entered into an equity transfer agreement with Zhejiang Zuozhongyou Electric Vehicle Service Company Limited ("Purchaser"), a related party of the Group, to dispose of approximately 35.56% equity interest in Jixing International at cash consideration of RMB1 (equivalent to approximately HK$1). The Purchaser is a company controlled by a controlling shareholder of the Company. The principal business of Jixing International is research and development of mobile and online applications and provision of transportation service. The transaction was completed on 3 April 2025.

Net liabilities at the date of disposal were as follows:

	Total *HK$'000*
Property, plant and equipment	29,307
Trade receivables	47,086
Prepayments, deposits and other receivables	10,559
Cash and cash equivalents	4,364
Accruals and other payables and deposits received	(38,248)
Trade payables	(36,415)
Other financial liabilities	(12,728)
Lease liabilities	(8,680)
Non-controlling interest	2,225
Net liabilities disposed of	(2,530)
Satisfied by:	
Cash consideration	–
Net liabilities disposed of	2,530
Deemed contribution arising from disposal of subsidiaries *(note (a))*	2,530
Reclassification of cumulative translation reserve upon disposal to profit or loss *(Note 10)*	1,803
Net cash inflow arising on disposal:	
Cash received	–
Cash and cash equivalents disposed of	(4,364)
Net cash outflow	(4,364)

The impact of Jixing International on the Group's results and cash flows in the current and prior periods is disclosed in note 10 to the consolidated financial statements.

Notes:

(a) Since the Purchaser is a company controlled by a substantial shareholder of the Company, the transaction, that resulted in a gain on disposal of a subsidiary and the loss of control, involves a contribution of shares of the subsidiary from owners in their capacity as owners, would consider as deemed contribution from shareholder and recognised in the consolidated statement of changes in equity.

(b) Translation reserve of HK$1,803,000 was re-classified to the profit or loss upon the disposal of a subsidiary (Note 10).

22. CONTINGENT CONSIDERATION PAYABLES

Under the settlement agreement related to the acquisition of SAM, the Company is committed to pay a maximum aggregate amount of US$60,000,000 contingent additional payment and conditional mining production payment to the sellers upon occurrence of certain events. Details of the settlement agreement are set out in the Company's announcement dated 13 May 2016.

The contingent consideration payables represent the fair value of the obligation for the contingent payable in accordance with the settlement agreement.

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments that are measured at fair value in the statements of financial position:

Level 1: fair value measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair value measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: fair value measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs).

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS — CONTINUED

The level in the fair value hierarchy within which the financial assets or liabilities are categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

As at 30 June 2026	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Assets				
— financial assets measured at FVOCI:				
Listed shares	–	–	–	–
— financial assets measured at FVTPL:				
Listed shares	25,120	–	–	25,120
	25,120	–	–	25,120
Liabilities				
Contingent consideration payables	–	–	119,576	119,576

As at 31 December 2025	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Assets				
— financial assets measured at FVOCI:				
Listed shares	1	–	–	1
— financial assets measured at FVTPL:				
Listed shares	30,038	–	–	30,038
	30,039	–	–	30,039
Liabilities				
Contingent consideration payables	–	–	118,981	118,981

During the six months ended 30 June 2026, there was no transfer between different levels of fair value hierarchy.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Bauxite Business

For the six months ended 30 June 2026 (the "First Half 2026"), bauxite business segment recorded a revenue of approximately HK$52 million (for the six months ended 30 June 2025 (the "First Half 2025"): nil) and approximately 84,000 tonnes of bauxite were delivered during the First Half 2026. It recorded a segment profit of approximately HK$4.6 million for the First Half 2026 (First Half 2025: Nil).

Guangxi Tuoxing Mining Co., Ltd. ("Tuoxing")

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.

Facing the keen industry competition and fluctuation of raw materials, the Company closely monitors market trends. It leverages Guangxi's local bauxite resource advantages and port location advantages to develop stable high-quality domestic and international mineral resources and continuously promotes market-oriented sales strategies for high- and low-grade ores. Furthermore, it also carries out specialized ore blending sales and strengthens full-process cost control to drive stable and sustainable business development.

China Bauxite Market Development

In the First Half 2026, China's bauxite market was defined by high import growth coupled with an extreme reliance on a small number of overseas suppliers. According to the information from Shanghai Metals Market (SMM), from January to June 2026, China's cumulative bauxite imports reached about 121.08 million tons, a year-on-year increase of 17.1%. Among these, Guinea and Australia together accounted for over 95%, with Guinea as a single source accounting for over 80%.

The main market risks focus on uncertainties in Guinea's policies, including rumors of export volume limits and shipping fluctuations during the rainy season. Additionally, ocean freight and energy costs fluctuate due to geopolitical conflicts in the Middle East, and China's overly concentrated import sources are in Guinea, making the market more sensitive to policy changes, weather factors, and long-term contract price adjustments. If Guinea's export control policies are ultimately implemented, existing port inventories may not be able to fully offset the subsequent supply contractions.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Business Review — Continued

Progress of SAM Iron Ore Project

1. Project Overview and Technical Development

As of 30 June 2026, the Group had cumulatively invested approximately US$87.09 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$165.51 million.

There has been no exploration and mining activity during the First Half 2026 and the measured and indicated resources for the 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 advancing the integrated development of the Block 8 Project, which is designed to achieve a production capacity of 27.5 million tonnes per annum of high-quality pellet feed (~66.2% Fe). The project as a whole will construct 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 and regulatory framework explicitly requires comprehensive alternative studies on tailings disposal solutions to demonstrate the safety and feasibility of the selected solution from environmental, social, and economic sustainability perspectives.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Business Review — Continued

Progress of SAM Iron Ore Project — Continued

1. *Project Overview and Technical Development — Continued*

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

As of 30 June 2026, SAM has been undertaking a comprehensive optimization of the Block 8 Project across multiple technical areas, including a full redevelopment of the conceptual engineering design, and 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, SAM formally initiated alternative studies for the beneficiation plant and geotechnical facilities, including the tailings dam, dry stacking piles, waste dump, and water dam. The alternative studies were completed during the second half of 2025, following a comprehensive assessment of the relevant technical and locational alternatives. Based on the results of these studies, SAM subsequently commenced and is currently advancing the updated conceptual engineering design for the Block 8 Project.

With respect to tailings management, considering the tailings characteristics of the 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 strategy. 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 as a conventional earth-rockfill dam constructed using the downstream method, providing a high level of safety and long-term geotechnical stability.

In addition, SAM, in collaboration with the engineering consultant, is evaluating the feasibility of progressively backfilling tailings into the open pit during the later stages of the mine life as part of the project's long-term tailings management strategy. To further optimize the tailings management solution and evaluate opportunities to reduce the footprint of the tailings storage facility (TSF), SAM is evaluating the feasibility of producing paste tailings from the Block 8 tailings. During the First Half 2026, SAM commissioned Fundação Gorceix to carry out metallurgical testwork on Block 8 ore samples in accordance with the conceptual process flowsheet. The objective of the testwork was to generate representative tailings samples for subsequent paste tailings studies. The representative tailings samples have been prepared and are scheduled to be shipped to China for thickening and rheological testwork.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Business Review — Continued

Progress of SAM Iron Ore Project — Continued

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

   In January 2026, SAM engaged Datamine to carry out a systematic optimization of the open-pit mine design and mining plan. The optimization work is progressing well. According to the latest conceptual mine design developed by Datamine, the mining plan has been significantly optimized, placing a strong emphasis on preserving rivers, streams, geological caves, ecological water resources, and environmentally sensitive areas, while minimizing environmental impacts and maintaining the project's technical and economic viability.

   In the First Half 2026, SAM also engaged Ruraltech to undertake complementary topographic and geospatial surveys in the downstream areas of the dams. The scope of work includes aerial 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). All contracted survey work was completed in June 2026.

   Engineering and technical activities associated with the updated conceptual engineering design are being progressed in accordance with the overall development requirements of the Block 8 Project. In view of the evolving regulatory framework in Brazil concerning dry-stacked tailings, SAM considers it prudent to continue monitoring relevant regulatory developments and to review the applicable design criteria and technical solutions as the regulatory requirements become clearer. In parallel, SAM will continue to advance relevant engineering and technical studies, including further evaluation of paste tailings and other tailings management alternatives.

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

   During the First Half 2026, the preparation of the Environmental Impact Assessment and Report (EIA-RIMA) continued to progress.

   During the First Half 2026, the environmental consultant completed the principal rainy-season field investigations, including surveys on terrestrial fauna, flora, water quality and aquatic ecosystems, springs, air quality, noise and vibration, socio-economic conditions, and the first phase of the speleological studies. The corresponding technical reports have been submitted and will be incorporated into the preparation of the EIA-RIMA. In accordance with the requirements of the fauna survey authorization, which requires an application for renewal at least 90 days prior to its expiry, SAM submitted the renewal application within the prescribed timeframe. Minas State Environmental Foundation ("FEAM") subsequently renewed the fauna survey authorizations for the Block 8 Project, extending the validity of the terrestrial and aquatic fauna sampling permits to August 2027.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Business Review — Continued

Progress of SAM Iron Ore Project — Continued

2. Environmental Licensing and EIA-RIMA Progress — Continued

The finalization of the EIA-RIMA is dependent on the updated conceptual engineering design, which will provide the basis for defining the final project configuration and the Area of Direct Influence (ADA). As the updated conceptual engineering design is now expected to extend into the first half of 2027, taking into account the ongoing technical optimization and the evolving regulatory framework in Brazil concerning tailings management, the completion of the EIA-RIMA will correspondingly require additional time. Upon completion of the updated conceptual engineering design and definition of the ADA, SAM will assess whether any supplementary field investigations are required to ensure that the environmental studies adequately reflect the final project configuration.

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 applicable laws and regulations. In this context, SAM has maintained close communication 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.

SAM has also held discussions with experienced independent implementing entities and community technical advisors regarding their potential engagement to support the CLPI process. Although SAM had previously expected to initiate the CLPI process in the First Half 2026, the ongoing optimization of the Project design requires additional time to sufficiently define the project configuration and provide the communities with comprehensive and up-to-date information regarding the Block 8 Project and its potential impacts. Accordingly, SAM considers it appropriate to commence the formal CLPI process once the updated conceptual engineering design is completed, subject to the progress of the Block 8 Project and necessary coordination with the relevant authorities and communities.

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 potentially affected by the Block 8 Project.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Business Review — Continued

Progress of SAM Iron Ore Project — Continued

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.

   Lotus Brasil intends to update the conceptual engineering design for the Lotus 1 pipeline project, including the concentrate pipeline, concentrate dewatering station and concentrate stockyard, to align with the latest development strategy of the Block 8 Project. As Porto Sul has been identified as the proposed export terminal for the Block 8 Project and the port project is currently subject to a sale process, the Group is awaiting confirmation of the future ownership and development arrangements of Porto Sul before proceeding with the updated conceptual engineering design of the pipeline project and the preparation of the corresponding Environmental Impact Assessment and Report (EIA-RIMA).

   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 delegated the environmental licensing process to the Minas Gerais State environmental authority (SEMAD). The environmental licensing strategy and the subsequent preparation of the updated EIA-RIMA will be advanced following confirmation of the logistics solution and the issuance of the relevant Terms of Reference by the competent environmental authorities.

Expected Timetable

As disclosed in the Annual Report 2025 of the Company, 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.

The development timetable for the Block 8 Project remains subject to various uncertainties, including the progress of the ongoing Porto Sul Port sale process and the evolving external regulatory and business environment. Accordingly, SAM will reassess the overall project schedule, including the timing of environmental licensing, construction and commercial operation, once these matters have been clarified.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Business Review — Continued

Capex and Opex

Pending completion of the updated conceptual engineering design and associated optimization studies, the latest available Capex and Opex estimates remain those previously disclosed in the 2025 Annual Report. Based on the previous project configuration, the total capital expenditure for the construction of the Block 8 Project was estimated at approximately US$3.59 billion. The operating cost per tonne of pellet feed was estimated at approximately US$20.0 for the first 18 years of operation and approximately US$24.6 thereafter. Taking into account the pipeline transportation and concentrate dewatering service fees payable to Lotus Brasil, as well as port charges, the FOB cost was estimated at approximately US$33.4 per tonne for the first 18 years and approximately US$37.9 per tonne thereafter.

These figures represent the estimates previously disclosed in the 2025 Annual Report and should not be regarded as updated estimates for the current project configuration. SAM is currently reviewing the Capex and Opex assumptions to reflect the latest project development strategy and ongoing engineering optimization. Updated Capex and Opex estimates will be prepared following completion of the updated conceptual engineering design and associated optimization studies.

Principal Risks and Uncertainties of the SAM Project

Iron Ore Price Risk

The fair value of the Group's evaluation and exploration assets in Brazil is exposed to fluctuations in expected future iron ore prices. Management will continue to monitor market conditions and assess appropriate strategies to manage the potential impact of fluctuations in iron ore prices.

Risk that the SAM Project May Not Materialize

The development of the SAM Project is subject to various risks and uncertainties, including commodity prices, government regulations, legal litigation challenges, political factors, policies and the ability to obtain the permits and licences required for the development and operation of the Project in Brazil. Any of these factors may affect the Project development schedule or, in certain circumstances, result in the Project not being realized.

Lithium-Ion Battery Business

For the First Half 2026, the lithium-ion battery segment recorded a revenue of approximately HK$9.6 million, representing a decrease of approximately 38% when compared to the revenue of approximately HK$15.5 million recognised in the First Half 2025 due to the decrease in the number of orders of parking and starting battery.

The loss in the lithium-ion battery segment was approximately HK$6.0 million for the First Half 2026 (for the First Half 2025: HK$17.5 million loss). The decrease in loss was mainly due to the decrease in research and development cost.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Business Review — Continued

Lithium-Ion Battery Business — Continued

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.

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-ion 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.

Shareholding in Yuxing Infotech

As at 30 June 2026, the Group owned 351,867,200 shares (31 December 2025: 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, represented 14.14% equity interests in Yuxing InfoTech. Such shares can be disposed for working capital of the Company or when the appropriate opportunity or market conditions arrived.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Financial Review

The Group recorded loss before income tax from continuing operations of approximately HK$11.9 million for the First Half 2026 (First Half 2025: approximately HK$40.1 million). The loss was primarily driven by segment losses in the lithium-ion battery business segment of approximately HK$6.0 million and mineral resources exploration segment of approximately HK$5.1 million, and loss on financial assets at fair value through profit or loss of approximately HK$4.9 million. These losses were partially offset by a profit of approximately HK$4.6 million generated from the bauxite business segment.

The revenue of the Group for the First Half 2026 was approximately HK$61.7 million, representing an increase of approximately 298.3% as compared with that of approximately HK$15.5 million for the First Half 2025.

The revenue of the Group was contributed by bauxite business segment and lithium-ion battery business segment. The revenue generated from bauxite business segment approximately HK$52.0 million. The bauxite business was commenced in the second half of 2025 and approximately 84,000 tonnes of bauxite were delivered during the First Half 2026 (First Half 2025: nil). The revenue generated from lithium-ion battery business segment has decreased by approximately 37.7% from approximately HK$15.5 million for the First Half 2025 to approximately HK$9.6 million for the First Half 2026. The decrease was mainly due to the decrease in the number of orders of parking and starting battery.

The Group recorded a gross profit of approximately HK$4.3 million (gross profit ratio: approximately 7.0%) for the First Half 2026 as compared with the gross profit of approximately HK$0.2 million (gross profit ratio: approximately 1.4%) for the First Half 2025. For the First Half 2025, the Group's gross profit margin was affected by decrease in sales of relative high gross profit margin product in the lithium-ion battery business segment. For the First Half 2026, the Group's gross profit were primarily derived from its bauxite business which newly commenced in second half of 2025. For the First Half 2026, the Group's gross profit margin was improved, this was mainly due to improvement in the gross profit margin of the lithium-ion battery business segment, which increased from 1.4% for the First Half 2025 to approximately 8.1% for the First Half 2026, as well as the gross profit margin of approximately 6.8% generated by the bauxite business segment.

Other operating income, gains and losses was approximately HK$2.6 million gains (First Half 2025: approximately HK$8.7 million losses) was recognised during the First Half 2026. Such change was mainly due to the loss on investments in listed securities for approximately HK$4.9 million for the First Half 2026, which compare to the loss of approximately HK$13.4 million for the First Half 2025 as the share price of Yuxing InfoTech improved during the period, and bank interest income recorded an increase of approximately HK$2.1 million from approximately HK$2.1 million for the First Half 2025 to approximately 4.2 million for the First Half 2026.

Administrative expenses was approximately HK$19.0 million (First Half 2025: approximately HK$26.5 million) during the First Half 2026. The decrease was mainly due to decrease in expensed research and development costs.

Approximately HK$2.8 million finance costs were recognised during the First Half 2026 (First Half 2025: approximately HK$3.2 million) which were mainly interest expense related to the bank borrowings from a commercial bank in the PRC. As at 30 June 2026, the bank borrowings were denominated in RMB with a principal amount equivalent to approximately HK$82.5 million and were interest bearing in range of 3.5% to 3.75% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Financial Review — Continued

For the First Half 2026, the loss for the First Half 2026 from continuing operations of the Company was approximately HK$11.9 million (First Half 2025: loss of approximately HK$40.1 million). The decrease in loss was primarily attributable to: (1) decrease in the loss of lithium-ion battery business segment from approximately HK$17.5 million for the First Half 2025 to approximately HK$6.0 million for the First Half 2026, driven by a decrease in expensed research and development costs, (2) decrease in the loss on financial assets at fair value through profit or loss from approximately HK$13.4 million for the First Half 2025 to approximately HK$4.9 million for the First Half 2026, and (3) the commencement of bauxite business in second half of 2025, which generated a profit of approximately HK$4.6 million (First Half 2025: nil).

As at 30 June 2026, the cash and cash equivalent balance of the Group was approximately HK$430.6 million (31 December 2025: approximately HK$386.7 million). The increase was mainly due to collection of trade receivables exceeding the settlement of trade payables during the First Half 2026.

As at 30 June 2026, the borrowings of the Group were approximately HK$92.9 million (31 December 2025: approximately HK$89.7 million). During the First Half 2026, the Group borrowed of approximately HK$10.4 million (equivalent to RMB9.1 million) from a related company to partially repay the bank borrowings of approximately HK$10.4 million (equivalent to RMB9.1 million), no additional borrowing was drawn down for the First Half 2026. The increase is mainly due to exchange rate fluctuations of RMB during the First Half 2026. The interest rate was in range of 3% to 3.75% per annum for the First Half 2026 (First Half 2025: in range of 3.5% to 3.6% per annum).

As at 30 June 2026, the net current assets of the Group was approximately HK$285.9 million (31 December 2025: approximately HK$314.7 million).

As at 30 June 2026, 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 2.02% (31 December 2025: approximately 2.1%).

Treasury Policies and Exposure to Fluctuations in Exchange Rates

The Group's operations are carried out in Hong Kong, the PRC and Brazil. The Group's subsidiaries in Hong Kong and overseas use local currencies, including Hong Kong dollar, RMB and Brazilian Reais. The Group has a partial amount of cash and bank deposits denominated in Hong Kong dollar, RMB, Brazilian Reais and US Dollar. The Group continues to adopt a conservative approach in its foreign exchange exposure management. The Group did not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group reviews its foreign exchange risks periodically.

Employees and Remuneration Policies

As at 30 June 2026, the Group had 87 employees (30 June 2025: 101 employees; 31 December 2025: 114 employees). The number of headcount decreased during the First Half 2026 after implementation of strategic workforce alignment and cost optimisation measures. Remuneration of employees (including directors' emoluments) amounted to HK$10.8 million for the First Half 2026 (First Half 2025: HK$13.3 million). The emolument policy for the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence with reference to the Board's corporate goals and objectives. The emoluments of the Directors are determined by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Financial Review — Continued

Employees and Remuneration Policies — Continued

The Group believes that providing training opportunities and continuous development to its employees provides a solid foundation for the Group's continued success. The Group provides internal and external training for all employees. Employees will receive training depending on their different positions and ranks, so as to achieve different training purposes and effects that enable the Group to improve work efficiency and enhance employees' independent ability to work.

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 will continue to deepen cooperation with 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. These close partnerships bring valuable resources and support to the Group, enabling us to overcome challenges and achieve sustainable growth. The Board leads the Group in addressing market challenges and seizing opportunities for development on the two core businesses of mining business and lithium-Ion battery business.

Raw materials such as gold, silver, copper, and iron form the crucial foundation for manufacturing AI hardware. As global chip manufacturers continue to expand capacity, the demand for related basic materials in chip manufacturing has also increased. Among these, copper is not only widely used in semiconductor processes and chip interconnect architectures but also serves as a key medium for power and data transmission due to its excellent conductivity. As AI continues to drive the development of data centers, advanced chips, and high-performance computing, the demand for these fundamental raw materials is expected to keep rising.

The Group announced an acquisition of a South African copper mining project in June 2026. This strategic investment is a key move in the Group's global resource layout, further enhancing its diversified layout in key materials fields and forming an integrated industrial chain from resource acquisition and material supply to high-precision product applications. The Group chose to carry out overseas strategic layout of copper ore resources at this time is undoubtedly a precise judgment and forward-looking deployment of industry development trends, as well as a proactive posture for future supply chain security. In addition, this strategic layout in copper resources will not only further strengthen the Group's competitive advantage in the upstream non-ferrous metals sector of the new energy sector, but also connect key upstream links in the new energy industry chain, improving the Group's dual core listing strategy for mineral resources and new energy manufacturing.

On the other hand, the Group is also actively exploring new opportunities on "Three-electric system" (battery, motor and electronic control) of new energy vehicles to extend the existing lithium-ion battery business, so as to respond to the changing market demand for high-grade products.

Regarding the bauxite business, the Group will continue to expand high-quality customers, further expand its business scale and improve profitability.

MANAGEMENT DISCUSSION AND ANALYSIS — CONTINUED

Corporate Governance

The Company complied with the corporate governance code in Appendix C1 to the GEM Listing Rules throughout the six months ended 30 June 2026 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 paragraph headed "Chairman and Chief Executive Officer" in the Corporate Governance Report contained in the Annual Report 2025 of the Company. Under Code Provision D.2.2, the Company should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective by the audit committee and the Board. In addition, the audit committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Nevertheless, the Company will review the need for one on an annual basis.

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

As at 30 June 2026, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, relating to the required standards of dealing by directors of listed issuers, to be notified to the Company and the Stock Exchange were as follows:

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

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

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30 June 2026, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under the provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

As at 30 June 2026, the following persons, other than the Directors or chief executives of the Company, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

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

Notes:

1. Mr. LI Shufu holds 91.08% equity interest of Zhejiang Geely Holding Group Company Limited and 100% equity interest of Geely Group Limited.

2. Zhejiang Geely Holding Group Company Limited holds 100% equity interest of Geely International (Hong Kong) Limited.

3. Mr. LI Shufu holds 91% equity interest of Zhejiang Jidi Technology Co., Ltd. and 78.17% equity interest of Ningbo Ruima Enterprise Management Partnership (LLP).

4. Zhejiang Jidi Technology Co., Ltd. holds 45% equity interest of Geely Technology Group Co., Ltd. and Ningbo Ruima Enterprise Management Partnership (LLP) holds 55% equity interest of Geely Technology Group Co., Ltd.

5. Geely Technology Group Co., Ltd. indirectly holds 100% equity interest of Hong Bridge Capital Limited.

6. The total number of issued shares as at 30 June 2026 (i.e. 14,554,533,606) has been used in the calculation of the approximate percentage.

SHARE OPTION SCHEME

During the First Half 2026, the Company operated a share option scheme adopted on 26 May 2022 (the "Scheme"). Particulars of the Scheme as required under the GEM Listing Rules are set out below:

(i) Summary of the Scheme

1. Purpose of the Scheme

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

2. Participants of the Scheme

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

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

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

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

The total number of Shares available for issue pursuant to the grant of further options under the Scheme was 985,453,360, representing 6.8% of the issued share capital of the Company as at 1 January 2026 and 6.8% of the issued share capital of the Company as at 30 June 2026 and date of this report.

No share option was granted, exercised, cancelled or lapsed under the Scheme since the date of its adoption and during the First Half 2026.

4. Maximum entitlement of each participant

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

SHARE OPTION SCHEME — CONTINUED

(i) Summary of the Scheme — Continued

5. Time of acceptance and exercise of options

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

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

6. Basis of determining the exercise price of the option

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

(a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;

(b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date; and

(c) the nominal value of the Shares on the Offer Date.

7. Remaining life of the Scheme

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

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

(ii) Details of options granted

The Company has no outstanding Share options as at 1 January 2026 and 30 June 2026.

DISCLOSEABLE TRANSACTION

Acquisition of 73% Equity Interest in Bona Global and Shareholders' Agreement

On 28 June 2026, the Company entered into a share purchase agreement (the "Share Purchase Agreement") with Bona Global Limited ("Bona Global"), Able Alliance Group Limited ("Able Alliance"), Smarty (South Africa) Minerals Investment (Pty) Ltd ("Smarty Minerals") and Mr. Shen Zhe ("Mr. Shen"), pursuant to which Able Alliance conditionally agreed to sell, and the Company conditionally agreed to acquire, 73% of the equity interest in Bona Global for a consideration of US$91.8 million (the "Acquisition"). The interest to be acquired indirectly corresponds to a 51.1% equity interest in Smarty Minerals.

Mr. Shen is the ultimate beneficial owner of Bona Global. Bona Global and Able Alliance are companies incorporated in the British Virgin Islands and are principally engaged in investment holding. Bona Global holds a 70% equity interest in Smarty Minerals, a company incorporated in South Africa and principally engaged in investments within mining-related activities. Smarty Minerals holds one mining right for a copper mine in Musina, South Africa and approximately 14 square kilometres of land. To the best of the Company's knowledge and belief having made all reasonable enquiries, each of Able Alliance, Bona Global, Smarty Minerals and Mr. Shen is independent third party of the Company and its connected persons. Upon completion of the Acquisition, Bona Global will become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

Completion of the Acquisition is conditional upon the fulfilment or waiver of the conditions precedent under the Share Purchase Agreement, including the accuracy of the vendor parties' warranties, the absence of a material adverse change, completion of agreed due diligence rectification measures, transfer of the subject shares, obtaining applicable corporate, regulatory, governmental and third-party approvals, and completion of the relevant capital injection and exploration rights transfer arrangements. As at 30 June 2026, the conditions precedent had not been fulfilled and the Acquisition had not been completed.

On the same date, the Company, Able Alliance and Bona Global entered into a shareholders' agreement governing the ownership and management of Bona Global. The Company, as majority shareholder, is entitled to nominate two directors and Able Alliance is entitled to nominate one director. The agreement also contains protection against minority dilution, pre-emptive rights and rights of first refusal over transfers of shares in Bona Global.

For further details, please refer to the announcement of the Company dated 29 June 2026.

MAJOR AND CONNECTED TRANSACTIONS

Subscriptions of 4,700,000,000 Shares of the Company

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

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

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

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

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

MAJOR AND CONNECTED TRANSACTIONS — CONTINUED

Use of proceeds from the Subscriptions

Usage	Planned use of net proceeds as disclosed in the announcement dated 13 February 2025 *HK$ million*	Net proceeds utilised during the period ended 31 December 2025 *HK$ million*	Net proceeds utilised during the period ended 30 June 2026 *HK$ million*	Net proceeds unutilised as at 30 June 2026 *HK$ million*
Development of and investment in mineral-related projects	306.4	23.8	9.4	273.2
— Iron-ore project development in Brazil	207.1	23.8	9.4	173.9
— 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	8.7	19.3
	375.0	39.4	18.1	317.5

Subscription of 2,425,755,601 New Shares Under Specific Mandate

On 28 June 2026, the Company entered into a subscription agreement (the "Subscription Agreement") with Hong Bridge Capital Limited ("Hong Bridge Capital"), a controlling shareholder and substantial shareholder of the Company, pursuant to which Hong Bridge Capital conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 2,425,755,601 shares at the subscription price of HK$0.37 per subscription share (the "Subscription"). The subscription price represented a discount of approximately 36.21% to the closing price of HK$0.58 per share quoted on the Stock Exchange on 26 June 2026, being the last full trading day immediately preceding the date of the Subscription Agreement, and a discount of approximately 33.69% to the average closing price of HK$0.56 per share for the five consecutive trading days up to and including that date.

The subscription shares represent approximately 16.67% of the existing issued share capital of the Company as at 29 June 2026 and approximately 14.29% of the issued share capital of the Company as enlarged by the issue and allotment of the subscription shares, assuming no other change in the issued share capital before completion.

The gross proceeds from the Subscription will be HK$897,529,572.37 and the estimated net proceeds, after deduction of relevant legal and advisory costs, will be approximately HK$895 million. The Company intends to use approximately HK$402.4 million of the net proceeds to satisfy the consideration for the acquisition of 73% equity interest in Bona Global Limited, approximately HK$467.6 million for the operation and development of, and investment in, mineral-related projects, and the remaining approximately HK$25.0 million for the general working capital of the Group.

MAJOR AND CONNECTED TRANSACTIONS — CONTINUED

Subscription of 2,425,755,601 New Shares Under Specific Mandate — Continued

The subscription shares will be allotted and issued under a specific mandate to be approved and granted to the Directors by the independent shareholders at an extraordinary general meeting. When allotted and issued, the subscription shares will rank pari passu in all respects among themselves and with the shares in issue. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the subscription shares.

Completion of the Subscription is conditional upon the fulfilment or, where applicable, waiver of the conditions precedent set out in the Subscription Agreement, including the independent shareholders' approval, the Stock Exchange's approval for the listing of and permission to deal in the subscription shares, and the necessary regulatory and third-party approvals. As at 30 June 2026, the conditions precedent had not been fulfilled and the Subscription had not been completed.

As at 29 June 2026, Hong Bridge Capital held approximately 53.93% of the total issued shares of the Company and was a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction under Chapter 20 of the GEM Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements. An independent board committee has been established and an independent financial adviser has been appointed to advise the independent board committee and the independent shareholders. For further details, please refer to the announcement of the Company dated 29 June 2026.

Acquisition of 51% equity interest in Juneng (Jiangsu) Power Technology co., Ltd.*

On 21 August 2026, the Company entered into an Acquisition Agreement with (i) Hong Kong Lianfengtai Technology Limited (香港聯豐泰科技有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong ("Lianfengtai Technology") ; (ii) Geely Technology Group Co., Ltd. (吉利科技集團有限公司), one of the controlling shareholders of the Company (the "Seller") and (iii) Juneng (Jiangsu) Power Technology Co., Ltd.* (聚能（江苏）动力科技有限公司), a company established in the PRC with limited liability (the "Target Company"), pursuant to which the Seller has conditionally agreed to sell, and the Company has conditionally agreed to acquire through an entity which is now being established by Lianfengtai Technology, 51% of the equity interest in the Target Company for the Consideration of RMB424.8 million (or its equivalent in Hong Kong dollars) (the "Acquisition").

The Acquisition constitutes a major transaction for the Company under the GEM Listing Rules. Besides, as the Seller is a connected person of the Company, the Acquisition also constitutes a non-exempt connected transaction of the Company, subject to the reporting, announcement, circular and independent shareholders' approval requirements under the GEM Listing Rules.

Completion of the Acquisition is subject to conditions precedent including, but not limited to, the approval by the independent shareholders of the Company at an extraordinary general meeting to be held by the Company. As at the date of this report, the conditions precedent have not been fulfilled and the Acquisition has not been completed.

For further details of the terms and conditions of the Acquisition Agreement and the Acquisition, please refer to the announcement of the Company dated 21 August 2026.

* *For identification purposes only*

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 2023 Sales 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.

CONTINUING CONNECTED TRANSACTIONS — CONTINUED

The Sales Framework Agreement with Zhejiang Geely Holding Group Company Limited ("Zhejiang Geely") — Continued

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 2023 Sales 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 ended 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.

CONTINUING CONNECTED TRANSACTIONS — CONTINUED

The Purchase Framework Agreement with Zhejiang Yaoning Technology Co. Ltd. ("Zhejiang Yaoning") — Continued

Reasons for and Benefits of the Purchase Framework Agreement — Continued

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 *RMB'000*	For the year ended 31 December 2024 *RMB'000*	For the year ended 31 December 2025 *RMB'000*	For the period from 1 January 2026 to 10 September 2026 *RMB'000*
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.

CONTINUING CONNECTED TRANSACTIONS — CONTINUED

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.

CONTINUING CONNECTED TRANSACTIONS — CONTINUED

The Bauxite Purchase Framework Agreement with Geely Technology Group Company Limited ("Geely Technology") — Continued

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

The 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.

CONTINUING CONNECTED TRANSACTIONS — CONTINUED

The Bauxite Purchase Framework Agreement with Geely Technology Group Company Limited ("Geely Technology") — Continued

Purchase Annual Caps for the Bauxite Purchase Framework Agreement

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

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

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

The sales under the 2023 Sales Agreement for the First Half 2026 was approximately RMB7.3 million (equivalent to approximately HK$8.3 million).

The purchase under the Purchase Framework Agreement for the First Half 2026 was approximately RMB0.8 million (equivalent to approximately HK$0.9 million).

The purchase under the Bauxite Purchase Framework Agreement for the First Half 2026 was approximately RMB42.6 million (equivalent to approximately HK$48.5 million).

Save as disclosed in this interim report, there was no other continuing connected transaction entered into by the Company during the First Half 2026 which is required to be disclosed under the GEM Listing Rules.

CONSTITUTIONAL DOCUMENTS OF THE COMPANY

There was no change in the Company's constitutional documents during the First Half 2026.

INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders (as defined under the GEM Listing Rules) of the Company or their respective associates had any interest in a business which competes or may compete or had any conflicts of interest with the business of the Group for the First Half 2026.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to which the Company, its holding company or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at as 30 June 2026 or at any time during the First Half 2026.

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 First Half 2026.

AUDIT COMMITTEE

The Company had established an audit committee with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and corporate governance code D.3.3 of Appendix C1 to the GEM Listing Rules.

The Group's unaudited results for the First Half 2026 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.

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

During the First Half 2026, neither the Company, its ultimate holding company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

The Directors of the Company during the First Half 2026 and up to the date of this report were:

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
Honbridge Holdings Limited
Xu Zhihao
Chairman

Hong Kong, 28 August 2026