滙力集團
HUILI GROUP

Huili Resources (Group) Limited
滙力資源(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1303)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the "Board") of directors (the "Director(s)") of Huili Resources (Group) Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 31 December 2025, together with comparative figures for the previous financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	**2025** **RMB'000**	2024 RMB'000
Continuing operations			
Revenue	3	**2,261,063**	4,030,742
Cost of sales		**(2,128,571)**	(3,807,998)
Gross profit		**132,492**	222,744
Administrative expenses		**(69,159)**	(60,380)
Expected credit losses ("ECLs") on financial assets		**(35,104)**	(20,514)
Other (losses)/gains – net	4	**(8,996)**	9,646
Fair value changes of derivative financial assets		**(1,338)**	2,226
Gain on bargain purchases on acquisition of a subsidiary		**–**	20,071

	Note	2025 RMB'000	2024 RMB'000
Operating profit		**17,895**	173,793
Finance income	5	**12,739**	2,964
Finance costs	5	**(7,992)**	(7,483)
Finance income/(costs) – net		**4,747**	(4,519)
Profit before income tax	7	**22,642**	169,274
Income tax expense	6	**(11,051)**	(25,845)
Profit for the year from continuing operations		**11,591**	143,429
Discontinued operations			
Profit for the year from discontinued operations	14	**–**	16,814
Profit for the year		**11,591**	160,243
Profit for the year attributable to equity owners of the Company:			
From continuing operations		**11,591**	143,429
From discontinued operations		**–**	16,866
Profit for the year attributable to equity owners of the Company		**11,591**	160,295
Loss for the year attributable to non-controlling interests:			
From continuing operations		**–**	–
From discontinued operations		**–**	(52)
Loss for the year attributable to non-controlling interests		**–**	(52)

	Note	**2025**	2024
		RMB'000	*RMB'000*
Other comprehensive (loss)/income after tax:			
Item that may be subsequently reclassified to profit or loss:			
Fair value changes of financial assets (debts instruments) at fair value through other comprehensive income ("FVTOCI")		**(334)**	7
Other comprehensive (loss)/income for the year, net of tax		**(334)**	7
Total comprehensive income for the year		**11,257**	160,250
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company		**11,257**	160,302
Non-controlling interests		**–**	(52)
Total comprehensive income for the year		**11,257**	160,250
Earnings per share attributable to the equity holders of the Company			
From continuing and discontinued operations			
– Basic and diluted *(RMB cents)*	9	**0.6**	8.1
From continuing operations			
– Basic and diluted *(RMB cents)*	9	**0.6**	7.2
From discontinued operations			
– Basic and diluted *(RMB cents)*	9	**–**	0.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	**2025** *RMB'000*	2024 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	15	**331,106**	348,715
Right-of-use assets	15	**10,994**	16,728
Goodwill		**19,607**	19,607
Deferred tax assets		**15,233**	15,149
Total non-current assets		**376,940**	400,199
Current assets			
Inventories		**486,431**	793,403
Trade and bills receivables	10	**324,796**	659,808
Other receivables and prepayments	11	**51,145**	162,425
Financial assets at FVTOCI		**–**	541
Derivative financial assets		**–**	1,504
Cash and cash equivalents		**896,329**	655,837
Total current assets		**1,758,701**	2,273,518
Total assets		**2,135,641**	2,673,717
LIABILITIES			
Current liabilities			
Trade payables	12	**764,115**	1,252,414
Other payables and accruals		**74,839**	88,059
Contract liabilities		**49,677**	81,021
Lease liabilities		**3,846**	4,959
Current tax liabilities		**11,876**	22,167
Total current liabilities		**904,353**	1,448,620
Net current assets		**854,348**	824,898

	Note	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Loan from an ex-shareholder of a subsidiary		**94,182**	93,463
Loan from a shareholder of the Company		**34,099**	35,845
Bank loan		**1,686**	–
Lease liabilities		**9,067**	13,553
Deferred tax liabilities		**16,934**	18,173
Total non-current liabilities		**155,968**	161,034
Total liabilities		**1,060,321**	1,609,654
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**181,896**	181,896
Share premium		**789,776**	789,776
Other reserves		**38,560**	30,720
Retained earnings		**65,088**	61,671
		1,075,320	1,064,063
Non-controlling interests		**–**	–
Total equity		**1,075,320**	1,064,063
Total equity and liabilities		**2,135,641**	2,673,717

1. GENERAL INFORMATION

Huili Resources (Group) Limited (the "Company") was incorporated in the Cayman Islands on 19 February 2010 as an exempted company with limited liability under Companies Law (Cap 22, as amended and revised) of the Cayman Islands in preparation for a listing of the Company's shares on the main board of the Stock Exchange of Hong Kong Limited (the "Listing") under the name of Realty Resources (Group) Limited. On 13 May 2010, the Company changed its name to Huili Resources (Group) Limited. The Company's shares were listed on the main board of the Stock Exchange of Hong Kong Limited on 12 January 2012. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. With effect from 13 January 2025, the registered office and the principal place of business of the Company is changed to Rooms 36–40, 50/F, Sun Hung Kai Center, 30 Harbour Road, Wan Chai, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively the "Group") are principally engaged in the trading of coal, provision of coal processing services and supply chain management services in the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board on 27 March 2026.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) New and amended standards adopted by the Group

The Group has adopted the following new and revised HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time for the consolidated financial statements.

HKAS 21 (Amendments)	Lack of Exchangeability

The Group concluded that the application of the new and revised HKFRS Accounting Standards and the amendments to HKFRS Accounting Standards in the current year has had no material impact on the amounts reported and/or disclosures set out in the consolidated financial statements.

(b) New standards and amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2025 and not early adopted by the Group

		Effective for accounting periods beginning on or after
HKFRS 7 and 9 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 7 and 9 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment on the impact of these new standards and amendments to standards and preliminary results showed that their application is not expected to have material impact on the financial performance and the financial position of the Group except for the adoption of HKFRS 18 as mentioned below.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 "Statement of Cash Flows" and HKAS 33 "Earnings per Share" are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Groups' consolidated financial statements.

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Group's chief operating decision-maker ("CODM") that are used to make strategic decisions. The CODM has been identified as the Board.

The CODM regards the Group's coal business as a single operating segment and reviews the consolidated financial statements accordingly. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 and the information that regularly reviewed by the directors of the Group for the purposes of allocating resources and assessing performance of the operating segment is the consolidated financial statements of the Group, no separate segmental analysis is presented in the consolidated financial statements.

During the year ended 31 December 2025, the coal business segment engages in (i) the trading of coal through Changzhi Runce Trading Company Limited* ("Changzhi Runce") and Hainan Runce Energy Co., Ltd. ("Hainan Runce"); (ii) the provision of coal processing services through Shanxi Fanpo Clean Energy Technology Company Limited* ("Shanxi Fanpo"); and (iii) coal supply chain management services through Runce Supply Chain Management (Shenzhen) Co., Ltd ("Shenzhen Runce"), Shanxi Margaux Supply Chain Management Co., Ltd* ("Shanxi Margaux"), Changzhishi Desheng Coal Storage and Distribution Company Limited ("Changzhishi Desheng") and Shanxi Luyuan Xinneng Technology Company Limited ("Luyuan Xinneng") in the PRC.

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing on revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

For the year ended 31 December 2025

	Coal business *RMB'000*
Primary geographical markets	
The PRC	**2,237,757**
Singapore	**23,306**
	2,261,063
Major products and services	
Trading of coal and provision of coal processing services	**2,151,473**
Coal supply chain management services	**109,590**
	2,261,063
Timing of revenue recognition	
At a point in time	**2,261,063**

* The English names referred to herein represents the managements best effort at translating the Chinese names of the companies as no English names have been registered.

For the year ended 31 December 2024

	Coal business *RMB'000*
Primary geographical markets	
The PRC	4,030,742
Major products and services	
Trading of coal and provision of coal processing services	3,922,032
Coal supply chain management services	108,710
	4,030,742
Timing of revenue recognition	
At a point in time	4,030,742

(b) Geographic information

The following table provides an analysis of the Group's revenue from customers and non-current assets other than deferred tax assets ("Specified non-current assets").

	Revenue from external customers (by customer location)		**Specified non-current assets (by location of asset)**	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**2,237,757**	4,030,742	**358,091**	377,738
Hong Kong Special Administrative Region, the PRC ("Hong Kong")	**–**	–	**3,614**	5,515
Singapore	**23,306**	–	**2**	1,797
	2,261,063	4,030,742	**361,707**	385,050

(c) **Information about major customers**

		Year ended 31 December	
		2025	2024
	Segment	***RMB'000***	*RMB'000*
Customer A	Coal business	**N/A#**	829,358
Customer B	Coal business	**N/A#**	591,257
Customer C	Coal business	**N/A#**	559,303
Customer D	Coal business	**307,165**	N/A#

\# The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. OTHER (LOSSES)/GAINS – NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Foreign exchange (losses)/gains, net *(Note 7)*	**(14,718)**	931
Interest income on financial assets at FVTOCI	**–**	481
Gain on disposal of property, plant and equipment	**332**	228
Gain on disposal of a subsidiary	**–**	18,341
Gain on leases termination	**96**	–
Government subsidies *(Note (i))*	**2,445**	5,830
Penalty income from customers	**52**	310
Income from photovoltaic project	**2,563**	950
Others	**234**	916
	(8,996)	27,987
Representing		
– Continuing operations	**(8,996)**	9,646
– Discontinued operations	**–**	18,341
	(8,996)	27,987

Note:

(i) Amounts are mainly related to unconditional government subsidies received by the Group from relevant government bodies for the purpose of giving incentive to enterprises, including but not limited to refund of taxes.

5. FINANCE INCOME/(COSTS) – NET

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Finance income		
Interest income	**12,739**	2,966
Finance costs		
Interest expenses		
– Interest on lease liabilities *(Note 7)*	**(993)**	(995)
– Unwinding of discount – provision for close down, restoration and environmental costs	**–**	(53)
– Interest on bank loan	**(34)**	–
– Interest on loan from a shareholder of the Company	**(2,516)**	(1,281)
– Interest on loan from an ex-shareholder of a subsidiary	**(4,449)**	(4,043)
– Interest on promissory notes	**–**	(1,164)
	(7,992)	(7,536)
Finance income/(costs) – net	**4,747**	(4,570)
Finance income		
Representing		
– Continuing operations	**12,739**	2,964
– Discontinued operations	**–**	2
	12,739	2,966
Finance costs		
Representing		
– Continuing operations	**(7,992)**	(7,483)
– Discontinued operations	**–**	(53)
	(7,992)	(7,536)

6. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Current tax – PRC Enterprise Income Tax		
– provision for the year	**12,149**	27,968
– under provision in prior years	**225**	51
Deferred tax	**(1,323)**	(2,214)
Income tax expense	**11,051**	25,805
Representing		
– Continuing operations	**11,051**	25,845
– Discontinued operations	**–**	(40)
	11,051	25,805

7. PROFIT BEFORE INCOME TAX

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

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
Continuing operations		
Cost of inventories recognised as expense	**1,990,594**	3,535,198
Depreciation of property, plant and equipment charged to profit or loss *(Note (a))*	**29,590**	18,525
Depreciation of right-of-use assets	**4,836**	4,278
Gain on disposal of property, plant and equipment	**(332)**	(228)
ECLs on financial assets	**35,104**	20,514
Interest on lease liabilities *(Note 5)*	**993**	995
Short-term leases expenses	**776**	250
Employee costs	**105,709**	93,214
Auditor's remuneration		
– annual audit	**1,310**	1,256
– others	**240**	185
Foreign exchange losses/(gain), net *(Note 4)*	**14,718**	(931)

Notes:

(a) Included in cost of sales and administrative expenses in the consolidated statement of comprehensive income.

8. DIVIDEND

The Directors do not propose any payment of dividend to the Company's shareholders for the year ended 31 December 2025 and 2024.

9. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing:

- the profit for the year attributable to the equity holders of the Company
- by weighted average number of ordinary shares in issue during the financial year

	2025	2024
	RMB'000	*RMB'000*
Profit for the year attributable to equity holders of the Company		
– From continuing and discontinued operations	**11,591**	160,295
– From continuing operations	**11,591**	143,429
– From discontinued operations	**–**	16,866

	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares in issue	**2,103,141**	1,985,868
Basic and diluted earnings per share *(RMB cents)*		
– From continuing and discontinued operations	**0.6**	8.1
– From continuing operations	**0.6**	7.2
– From discontinued operations	**–**	0.9

Diluted earnings per share was equal to basic earnings per share as there was no potential share outstanding for the each of the years ended 31 December 2025 and 2024.

10. TRADE AND BILLS RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**291,192**	540,957
Less: ECLs of trade receivables *(Notes (b), (d))*	**(59,703)**	(17,884)
Trade receivables, net	**231,489**	523,073
Bills receivables	**93,740**	137,699
Less: ECLs of bills receivables *(Notes (c), (d))*	**(433)**	(964)
Bill receivables, net *(Note (c))*	**93,307**	136,735
Total trade and bills receivables, net *(Note (a))*	**324,796**	659,808

Notes:

(a) At 31 December 2025 and 2024, the ageing analysis of the trade and bills receivables after ECLs recognised based on invoice date were as follows:

	2025	2024
	RMB'000	*RMB'000*
Up to 3 months	**190,369**	513,981
3 to 6 months	**67,009**	142,805
6 to 12 months	**67,418**	3,022
	324,796	659,808

The Group's trading terms with its customers are mainly on credit or grant a credit period of 1 to 3 months. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. Based on communications with the customers, the trade receivables net of provisions as at the end of the reporting period are expected to be settled within one year.

(b) As at 31 December 2025, loss allowance of approximately RMB59,703,000 (2024: RMB17,884,000) were made against the gross amount of trade receivables.

(c) Bills receivables represent unconditional orders in writing issued by customers of the Group for completed sale orders which entitle the Group to collect a sum of money from banks. The bills are non-interest bearing and have a maturity from six months to one year. As at 31 December 2025, loss allowance of approximately RMB433,000 (2024: RMB964,000) were made against the gross amount of bills receivables.

(d) Movement in the loss allowance amount in respect of trade and bills receivables during the year is as follows:

	2025	2024
	RMB'000	*RMB'000*
Balance at 1 January	**18,848**	5,603
ECLs recognised during the year	**41,288**	13,245
Balance at 31 December *(Note (e))*	**60,136**	18,848

(e) As at 31 December 2025, included in the Group's trade receivables balances are two debtors with aggregate amounts of approximately RMB125,327,000 have been past due more than 90 days but less than 365 days as at the reporting date. During the year ended 31 December 2025, management requested ultimate controlling parties of the debtors to provide personal guarantees for repayment of debts and reached new repayment schedules with the debtors through the mediation. However, the debtors did not settle the outstanding balances according to the new repayment schedules and therefore the Group considered that the trade receivables were in default. Management had applied property preservations to the PRC courts on assets held by one guarantor and considered to further recover the debts through litigations. Accordingly, expected credit losses of approximately RMB57,911,000 was provided for that trade receivable considering the loss given default and fair value of assets expected to be recovered from the guarantors.

11. OTHER RECEIVABLES AND PREPAYMENTS

	2025	2024
	RMB'000	*RMB'000*
Consideration receivable from disposal of a subsidiary *(Note (b))*	–	94,000
Other receivables	**55,228**	70,927
Less: Provision of impairment losses on other receivables *(Note (a))*	**(54,483)**	(63,310)
	745	101,617
Deposits paid to suppliers – third parties	**8,198**	13,567
Advances to suppliers – third parties	**20,620**	29,731
Other tax recoverable	**21,582**	17,510
Total other receivables and prepayments, net	**51,145**	162,425

Notes:

(a) Movement in the loss allowance amount in respect of other receivables during the year is as follows:

	2025	2024
	RMB'000	*RMB'000*
Balance at 1 January	**63,310**	63,501
Disposal of a subsidiary	–	(9,246)
(Reversal of ECLs)/ECLs on other receivables recognised during the year	**(6,184)**	7,269
Exchange differences	**(2,643)**	1,786
Balance at 31 December	**54,483**	63,310

(b) The consideration receivable was due as to 50% within ten business days and as to 50% within 2 months after the date of completion of the disposal, i.e. 29 September 2024. However, since the buyer's banker in the PRC is still in the progress in handling the remittance of the consideration to the Group's bank account in Hong Kong for the settlement of consideration to the Group, the consideration receivable is yet to be received up to date of authorisation of the consolidated financial statements for the year ended 31 December 2024. On 6 March 2025, a shareholder of the buyer, paid a security deposit of RMB30,000,000 to the Group as a guarantee for the settlement of the consideration and the deposit is non-refundable and will be used to settle part of the consideration if the consideration is not yet settled by 31 December 2025. The consideration receivable has been settled during the year ended 31 December 2025.

12. TRADE PAYABLES

Trade payables are analysed as follows:

	2025	2024
	RMB'000	*RMB'000*
Third parties	**764,115**	1,252,414

The carrying amounts of trade payables approximated their fair values due to their short-term nature. The balances are denominated in RMB.

The ageing analysis of trade payables based on invoice date is as follows:

	2025	2024
	RMB'000	*RMB'000*
Up to 3 months	**362,577**	1,067,251
3 to 6 months	**296,559**	4,785
6 to 12 months	**104,784**	179,990
Over 12 months	**195**	388
	764,115	1,252,414

13. CAPITAL COMMITMENTS

	2025	2024
	RMB'000	*RMB'000*
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of the acquisition of plant and equipment	**–**	10,255

14. DISCONTINUED OPERATIONS

In July 2024, the Group has entered into an equity transfer agreement with an independent third party, for the disposal of its entire equity interest in Hami Jinhua Mineral Resource Exploiture Limited ("Hami Jinhua"), being 95% of the total equity interest of Hami Jinhua. Hami Jinhua was engaged in the mining, ore processing and sales of lead and zinc products. The disposal was completed on 29 September 2024 and the Group discontinued its mining business.

The (loss)/profit for the year from the discontinued operations is analysed as follows:

	2025	2024
	RMB'000	*RMB'000*
Loss of discontinued operations	**–**	(1,527)
Gain on disposal of discontinued operations	**–**	18,341
	–	16,814

The results of the discontinued operations for the period from 1 January 2024 to 29 September 2024, which have been included in consolidated profit or loss, are as follows:

	Period from 1 January 2024 to 29 September 2024
	RMB'000
Revenue	–
Costs of sales	(874)
Gross loss	(874)
Administrative expenses	(642)
Operating loss	(1,516)
Finance income	2
Finance costs	(53)
Finance costs – net	(51)
Loss before income tax	(1,567)
Income tax credit	40
Loss for the year	(1,527)

15. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the year ended 31 December 2025, the Group incurred capital expenditure of approximately RMB12.0 million (2024: RMB54.0 million) on property, plant and equipment and nil (2024: RMB8.9 million) on right-of-use assets, and the Group disposed approximately RMB0.03 million (2024: RMB0.02 million) of property, plant and equipment.

BUSINESS REVIEW

Huili Resources (Group) Limited (the "Company") and its subsidiaries (together with the Company, the "Group") mainly participate in the coal business, which includes coal processing, supply chain management services and trading businesses. Unless otherwise specified, references to the figures in the announcement are figures of continuing operations of the Group.

Coal business

The coal industry is a typical pro-cyclical industry, where the demand for coal is closely linked to economic growth. According to the National Bureau of Statistics (國家統計局), the preliminary result of the gross domestic product ("GDP") of the PRC during the year ended 31 December 2025 (the "Year") grew at approximately 5.0% year-on-year, which is the same as the year ended 31 December 2024 (the "Prior Year").

Meanwhile, the National Energy Administration (國家能源局), in its Annual Guiding Opinions on Energy Work, explicitly stipulates the need to continuously deepen the clean and efficient utilization of coal and to promote the high-quality development of coal processing.

From a supply perspective, according to the National Bureau of Statistics, in December 2025, the PRC achieved raw coal production of approximately 0.44 billion tonnes, representing a year-on-year decrease of approximately 1.0%, and a cumulative annual production of approximately 4.83 billion tonnes, representing a year-on-year increase of approximately 1.2%, which is at the same level of increase in the Prior Year.

Looking at the demand side, downstream demand of coal had mainly stemmed from electricity and steel.

- Electricity: During the Year, the PRC achieved power generation of approximately 10,575.3 billion kilowatt hours, representing a year-on-year increase of approximately 4.8%. During the Year, thermal power remains the main force of power generation, while the portion for thermal power decreases. In 2025, thermal power generation reached approximately 6,327.2 billion kilowatt hours, representing a year-on-year decrease of approximately 0.7% while accounting for 60% of the total power generation (63% in 2024) (source: the National Bureau of Statistics (國家統計局)).

- Steel: During the Year, the PRC achieved approximately 836 million tonnes of pig iron production, a year-on-year decrease of 3.0%, following the decrease of 2.3% in the Prior Year. The real estate sector continued struggling in its adjustment phase, with the real estate development investment and new construction area decreasing by approximately 17.2% and 20.4% year-on-year, respectively (10.6% and 23.0% year-on-year decrease in the Prior Year). Conversely, investment in car manufacturing maintained robust momentum, recording year-on-year growth rates of 11.7% (year on year increase 7.5% in the Prior Year). Furthermore, automobile production for the Year increased by 9.8% year-on-year, reaching a record high. New power generation installed capacity increased by approximately 16.1% year-on-year (14.6% year-on year increase in the Prior Year, source: The National Bureau of Statistics), shipbuilding completion orders increased by 11.4% year-on-year (Source: Ministry of Industry and Information Technology 中華人民共和國工業和信息化部), and the quantity of steel exports increased by 7.5% year-on-year (Source: General Administration of Customs, the PRC 中華人民共和國海關總署).

During the Year, the market price of coal continued its downward trend. According to the China coal index 5500K ("CCI 5500K"), a gauge of coal prices in the PRC, the price declined from approximately RMB 770 per tonne at the beginning of the Year to about RMB 681 per tonne as at 31 December 2025, representing an annual decrease of 11.6%. However, viewed from a longer perspective, this price adjustment cycle commenced in the fourth quarter of 2022 and has persisted for three years. Compared to the historical peak of around RMB 1,600 per tonne at that time, the current price has accumulated a drop of more than 50%(Source: sxcoal.com 中國煤炭資源網). As coal prices continue to decline and gradually approach the industry's average production cost level, the profitability of the coal mining and washing industry has been significantly compressed. Industry data show that the total profit of the industry fell by 22.2% in 2024 compared to 2023, and then experienced a further sharp decline of 41.8% in 2025 (Source: National Bureau of Statistics), highlighting substantial operational pressures within the industry.

During the Year, the customers of the Company's coal business segment were mainly local coal traders, steel companies and energy companies in the PRC. The Group carried out the coal trading business through two indirectly wholly-owned subsidiaries, Changzhi Runce Trading Company Limited* (長治潤策貿易有限公司) ("Changzhi Runce") and Hainan Runce Energy Co., Ltd.* (海南潤策能源有限公司) ("Hainan Runce") in the PRC. The Group provided coal processing services through an indirectly wholly-owned subsidiary, Shanxi Fanpo Clean Energy Technology Company Limited* (山西反坡清潔能源科技有限公司) ("Shanxi Fanpo"). The Group also provided coal supply chain management service through an indirectly wholly-owned subsidiary, Runce Supply Chain Management (Shenzhen) Co., Ltd (潤策供應鏈管理(深圳)有限公司) ("Shenzhen Runce") in the PRC, and coal storage and coal mixing services, which is part of its coal supply chain management service business, through three indirect wholly-owned subsidiaries, Shanxi Margaux Supply Chain Management Company Limited* (山西瑪高供應鏈管理有限公司) ("Shanxi Margaux"), Changzhishi Desheng Coal Storage and Distribution Company Limited* (長治市德勝煤炭儲配有限公司) ("Changzhishi Desheng"), Shanxi Luyuan Xinneng Technology Company Limited* (山西潞源新能科技有限公司) ("Luyuan Xinneng").

Shanxi Fanpo is principally engaged in the sale of coal and coal washery. The coal washery is to remove impurities in raw coal, and to classify high quality coal and inferior coal to improve coal utilization efficiency and reduce coal pollutant emission. The coal washery is designed to have a maximum throughput capacity of approximately 14,000 tonnes per day.

Shanxi Margaux is principally engaged in supply chain management services and general cargo storage services. The coal shed that is owned by Shanxi Margaux has the storage capacity of 250,000 tonnes of coal with a construction area of approximately 16,746 sq.m. and is located approximately 7.0 km from the Group's washery plant and approximately 2.5 km to 3.0 km from the key highways in Shanxi province, the PRC, which the Company considers is a prime location from an operational perspective.

Changzhishi Desheng is principally engaged in supply chain management services and general cargo storage services. Changzhishi Desheng owns two coal sheds and the associated machineries of such coal sheds. The expected total storage capacity of the two coal sheds is 1 million tonnes of coal. The coal sheds are located in a logistics park in Shanxi province, the PRC, which has storage and logistics supporting facilities such as cylindrical silos, train dumpers, and coal storage yards. The logistics park is located approximately 1.5 km from a railway station, which is connected to Changzhi South Station of the Central-South Railway, and is also adjunct to the National Highway 228, Erguang Expressway, county and township roads, which the Company considers is a prime location from an operational perspective and would provide a stable source of demand and may potentially provide an additional source of supply to the Group's trading businesses.

Luyuan Xinneng is principally engaged in supply chain management services and general cargo storage services. Luyuan Xinneng owns two coal sheds and the associated machineries of such coal sheds in Shanxi province, the PRC. The expected total storage capacity of the two coal sheds is 120,000 tonnes of coal. The coal sheds are located in Shanxi province, the PRC, which is close to the Group's existing coal washery plant. Within around 5 km range, it's connected to several National Highway, Expressway and Railway Lines and Coal Transportation Station, thus has very convenient road and rail transportation. From an operational perspective, this location is a prime location and can provide an additional source of supply for the Group's trading business. The coal shed and the specialised equipment allows the Company to fulfill the storage, loading and coal mixing demand of the customers in Shanxi province, the PRC.

Riding on the relatively stable demand for coal in the foreseeable future, the Group will continue to actively seek opportunities to develop its coal business, either through value-added mergers and acquisitions or strategically re-allocating its internal resources to expand the current coal business or diversify into other business scopes within the coal industry.

Meanwhile, despite that the energy security role of coal will remain stable in the near term, low carbonization and clean and efficient productions are still the main development direction of the coal industry. Thus, the Company has commenced a photovoltaic project, aiming to promote low carbonization, integrate development of coal-based energy and green energy, and expand green transformation channels for the coal business. The Company strives and is committed to the green development of the Company's business, and ultimately achieving balanced operations between coal business development and ecological protection.

The coal business segment has contributed approximately RMB2.26 billion (2024: RMB4.03 billion) to the Group's revenue during the Year.

Discontinued mining business

In order to concentrate its resources and capital on its high-growth coal supply chain management services business, on 19 July 2024, the Group entered into an equity transfer agreement with an independent third party, to dispose (the "Disposal") of its entire equity interest in Hami Jinhua Mineral Resource Exploiture Ltd* (哈密市錦華礦產資源開發有限責任公司) ("Hami Jinhua"), being 95% of the total equity interest of Hami Jinhua, which owned a mining right of non-ferrous metals in the Xinjiang Uyghur Autonomous Region, the PRC, namely Baiganhu Mine, which produced lead and zinc ores, at a consideration of RMB94,000,000 and recorded a gain of approximately RMB18,341,000 from such Disposal during the Prior Year. The transfer of 95% equity interest in Hami Jinhua was completed in September 2024 and the Group has discontinued its mining business since then.

* *For identification purpose only*

RESULTS REVIEW

Revenue and gross profit

The Group has made remarkable progress and results in the past few years. Since the launch of the coal business in 2019, the revenue has increased from approximately RMB86 million in 2019 to RMB4.03 billion in the Prior Year. During the Year, due to pressure from the challenging macro economy and the decreasing coal price, the revenue has dropped to RMB2.26 billion, representing year-on year decrease of 43.9%.

The cost of sales was approximately RMB2.13 billion for the Year, as compared with approximately RMB3.81 billion in the Prior Year, representing a year-on-year decrease of approximately 44.1%. The decrease was mainly contributed by the coal business as a result of the decreased sales of coal products during the Year.

Although the sustained decrease in coal prices precipitated a scaling down of the coal business, the Group has made a remarkable effort to maintain the gross profit margin of 5.9% during the Year (2024: 5.5%). The Group recorded a gross profit of approximately RMB132.5 million for the Year, representing a year-on-year decrease of 40.5%. Nonetheless, the Group has also recorded an increase in its gross profit margin for the Year as compared to the Prior Year.

Administrative expenses

Administrative expenses for the Year, which mainly included depreciation charges, professional fees, staff costs and office overheads, amounted to approximately RMB69.2 million for the Year (the Prior Year: RMB60.4 million). The increase was primarily driven by time-related factors in depreciation of property, plant and equipment charged to administrative expenses. Specifically, assets acquired during the Prior Year did not incur a full year of depreciation, and coal shed commissioned in the second half of the Prior Year have now contributed to a full-period depreciation charge in the Year.

Other (losses)/gains –net

Other losses for the Year of approximately RMB9.0 million (the Prior Year: other gains RMB9.6 million) mainly represented government subsidies, foreign exchange loss, net and income from photovoltaic project of approximately RMB2.4 million (the Prior Year: RMB5.8 million), RMB14.7 million (the Prior Year: foreign exchange gains, net RMB0.9 million) and RMB2.6 million (the Prior Year: RMB1.0 million) respectively.

The government subsidies are mainly unconditional subsidies received by the Group from relevant government bodies for the purpose of giving incentive to enterprises, including but not limited to refund of taxes.

The foreign exchange loss, net mainly arose from the financial assets denominated in USD and Hong Kong dollars ("HK$") as a result of the depreciation of USD and HK$ against RMB, being the Group's functional and presentation currency.

Finance income – net

Finance income – net of approximately RMB4.7 million (the Prior Year: finance costs – net of approximately RMB4.5 million) during the Year mainly represented the interest income of approximately RMB12.7 million (the Prior Year: RMB3.0 million) earned from the Group's cash at bank, and netted by the interest expenses on loan from ex-shareholder of a subsidiary, interest expenses on loan from a shareholder of the Company and interest expenses on lease liabilities of approximately RMB4.4 million (the Prior Year: RMB4.0 million), RMB2.5 million (the Prior Year: RMB1.3 million) and RMB1.0 million (the Prior Year: RMB1.0 million) respectively.

Income tax expense

During the Year, income tax expense was approximately RMB11.1million (the Prior Year: RMB25.8 million). It mainly represented the tax provision of approximately RMB12.4 million (the Prior Year: RMB28.0 million) for operations in the PRC, and deferred tax credit of approximately RMB1.3 million (the Prior Year: deferred tax credit of RMB2.2 million) during the Year. No provision for profits tax in Hong Kong was made during both the Year and the Prior Year.

SIGNIFICANT INVESTMENTS HELD

As of 31 December 2025, the Group did not hold any material investment, which refer to an investment with investment amounts in an investee company that accounted for 5% or more of the Group's total assets. There was no plan authorised by the Board for any material investments or divestments at the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions and disposals during the Year.

CAPITAL EXPENDITURE

For the Year, the Group incurred capital expenditure of approximately RMB12.0 million (the Prior Year: RMB54.0 million) on property, plant and equipment, and nil (the Prior Year: RMB8.9 million) on right-of-use assets. For the Year, the Group disposed approximately RMB0.03 million (the Prior Year: RMB0.02 million) of property, plant and equipment.

LIQUIDITY AND FINANCIAL RESOURCES

The equity attributable to owners of the Company as at 31 December 2025 increased to RMB1.08 billion, an increase of approximately 1.1% over that as at 31 December 2024 of RMB1.06 billion while the Group's total assets employed decreased by 20.1% to RMB2.14 billion as at 31 December 2025 as compared to RMB2.67 billion as at 31 December 2024.

The Group continues to maintain a strong financial position. To preserve funds for future capital expenditure and new business opportunities, the Group invests surplus cash in low risk fixed deposits to generate additional returns for the Group and the shareholders of the Company.

During the Year, the Group's investment in debt securities recorded RMB0.3 million loss in fair value (the Prior Year: RMB0.01 million gain in fair value), which was presented as "Fair value change of financial assets (debt instruments) at fair value through other comprehensive income" in the consolidated statement of comprehensive income.

The Group financed its day-to-day operations mainly by internally generated cash flows during the Year. Primary uses of funds during the Year was mainly the payment of operating expenses.

The total borrowings increased from approximately RMB129.3 million as of 31 December 2024 to approximately RMB130.0 million as of 31 December 2025, and the balance was represented by the loan from an ex-shareholder of a subsidiary acquired during the Prior Year, the loan from a shareholder of the Company made during the Prior Year and one bank loan from a local bank in the PRC made during the Year.

Save as the loan disclosed above, as at 31 December 2025 and 31 December 2024, there was no outstanding interest-bearing bank loan and other borrowings.

The Company entered into a credit facility with Nanyang Commercial Bank consisting of letters of credit and line of credit in November 2022, and the credit facility limit has been further revised to USD90 million in April 2024. The letter of credit (up to USD30 million) is for issuance of Back-to-Back LCs, and the remaining line of credit limit (up to USD60 million) for issuance of LCs is charged against 100% bank deposits from time to time up to the amount utilised. As at 31 December 2025, the Company did not utilise any letter of credit (the Prior Year: nil) and there are no outstanding borrowings (the Prior Year: RMB nil) on the line of credit.

The Company entered into a credit facility with Agricultural Bank of China consisting of letters of credit and line of credit in November 2024, with total credit facility limit of USD100 million. The letter of credit (up to USD80 million) is for issuance of Back-to-Back LCs, and the remaining line of credit limit (up to USD20 million) for insurance of LCs is charged against 100% bank deposits from time to time up to the amount utilised. As at 31 December 2025, the Company did not utilise any of the facility (the Prior Year: nil).

The Company entered into a credit facility with China CITIC Bank International of line of credit in April 2025, with credit facility limit of USD30 million. The line of credit limit (up to USD30 million) for insurance of LCs is charged against 100% bank deposits from time to time up to the amount utilised. As at 31 December 2025, the Company did not utilise any of the facility (the Prior Year: nil).

The Company entered into a credit facility with The Hong Kong and Shanghai Banking Corporation consisting of letters of credit and line of credit in May 2025, with total credit facility limit of USD65 million. The letter of credit (up to USD45 million) is for issuance of Back-to-Back LCs, and the remaining line of credit limit (up to USD20 million) for insurance of LCs is charged against 100% bank deposits from time to time up to the amount utilised. As at 31 December 2025, the Company did not utilise any of the facility (the Prior Year: nil).

As at 31 December 2025, the Group maintained bank and cash balances of approximately RMB896.3 million (the Prior Year: RMB655.8 million).

Treasury policy

The Group continues to adopt a conservative treasury policy in liquidity and financial management. The Group conducted its continuing operational business transactions mainly in RMB and USD. Surplus cash is generally placed in fixed deposits denominated in USD and RMB. The Group arranged certain foreign currency forward contracts to mitigate against the fluctuation of exchange rate between RMB and USD, the fair value of such forward contracts as at 31 December 2025 is nil (the Prior Year: RMB1.5 million).

Gearing ratio

Gearing ratio of the Group is calculated based on the net debt divided by total equity. Net debt is calculated based on total interest-bearing borrowings (including current and non-current borrowings) less cash and cash equivalents. As at 31 December 2025 and 31 December 2024, the Group has recorded a net cash position of RMB766.4 million and RMB526.5 million respectively.

PRINCIPAL RISKS

The Group's activities are exposed to a variety of risks as set out below.

Foreign exchange exposure

The Group's businesses are mainly conducted in RMB. The Group has not experienced any material difficulties with its operations or liquidity as a result of fluctuations in currency exchange rates during the Year. However the Group started to explore the business opportunity in international coal trading since 2024, which involves import of foreign coals and sales to PRC customers. In such transactions, the purchase may be made in USD while the sales proceed may be in RMB. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. Thus, the Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary. As at 31 December 2025, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk.

Credit risk exposure

The Group is exposed to credit risks in its coal business and is primarily attributable to its trade and bills receivables in this business segment. The Group's trading terms with its customers are mainly on credit. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. The carrying amounts of its trade and bills receivables represent the Group's maximum exposure to credit risk in this business segment. The Group applies the simplified approach to provide for ECLs as prescribed by HKFRS 9, which permits the use of the lifetime ECLs provision for all trade and bills receivables.

As at 31 December 2025, the expected credit loss allowance of approximately RMB60.1 million (the Prior Year: RMB18.8 million) were made against the gross amount of trade and bills receivables.

The Group separately assesses trade and bills receivables that are individually significant for impairment at each reporting date. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience. Trade and bills receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 365 days past due. Impairment losses on trade and bills receivables are presented as net impairment losses within operating results. Subsequent recoveries of amounts previously written off are credited against the same line item. As at the end of the reporting period, none of the trade receivables of the Group was impaired.

To further enhance the recovery of the Group's trade receivables, the Group commenced a legal action during the Year against one of our coal business customers and its guarantor for the outstanding receivables in the amount of approximately RMB115 million. During the Year, the relevant court in the PRC handed down a civil mediation statement setting out a repayment schedule to settle the outstanding receivables of approximately RMB115 million by instalments until July 2026. Despite such coal business customer having repaid RMB4.3 million in November 2025, the repayment schedule was not strictly followed by such coal business customer. As at 31 December 2025, the outstanding receivables amounted to approximately RMB111 million. Based on the latest financial statements of such coal business customer obtained by the Group, it is not insolvent. Based on the public information, such business customer is still subsisting and the guarantor is not a discredited person subject to enforcement. The Group has already obtained preservation order against certain assets and real properties of the guarantor and such business customer.

Upon negotiations with the guarantor in March 2026, the guarantor intended to charge additional assets to secure the repayment of the outstanding receivables. The Group will continue to take enforcement actions to recover the outstanding receivables including but not limited to taking steps to realise the relevant assets of the guarantor. It is expected that the overdue status of such outstanding receivables will not have a material impact on the Group's business operations and liquidity.

CHARGES ON COMPANY'S ASSETS, COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed in note 13 to this announcement, the Group had no other contracted capital expenditure, commitments and charge on the Company's assets as at 31 December 2025 and 2024.

No charge on the Company's assets as at 31 December 2025, and no cash and cash equivalents was pledged (the Prior Year: nil).

The Group may be subject to new environmental laws and regulations that may result in contingent liabilities for the Group in the future. The Group may also be subject to the effect of under-insurance on future accidents incurred by the employees. Such (i) new environmental laws and regulations; and (ii) under insurance on the employees may impose costs and liabilities on the Group.

The Group had no other material contingent liability as at 31 December 2025 and 2024.

HUMAN RESOURCES AND SHARE OPTION SCHEME

As at 31 December 2025, the Group employed 614 employees (31 December 2024: 999). The total staff costs (including Directors' emoluments) for the Year (including continuing operations only) was approximately RMB105.7 million (the Prior Year: RMB93.2 million). The emolument policy for the salaries of employees largely depend on their job nature, performance and length of service with the Group. The Directors' emolument policy for the remuneration is determined with reference to salaries paid by comparable companies, their experience and responsibilities and the performance of the Group. Discretionary bonuses are also available to the Group's employees depending on the overall performance of the Group. In addition to the basic remuneration, the Group also provides employees with employee benefits, including pension, medical scheme and other applicable social insurance as required by applicable laws and regulations.

Apart from regular on-the-job training, the Group encourages its employees to attend external job-related training and provides training to new employees including an introduction to relevant regulations and general safety awareness and a workshop specific training to the work area and the role of individual within the workshop. Directors and employees, among others, are entitled to participate in the share option scheme at the discretion of the Board. No share option was granted, exercised, lapsed or outstanding during the Year and as at 31 December 2025.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR PURCHASE OF CAPITAL ASSETS

Save as disclosed in this announcement, the Group had no future plan for material investments or purchase of capital assets during the year ended 31 December 2025.

FUTURE OUTLOOK AND PROSPECTS

In 2025, the coal market price center shifted significantly downward due to the combined effects of slowing macroeconomic growth, weak downstream demand, and accelerated energy structure transformation. Facing a challenging market environment, the Group adhered to the prudent business principle of "profit over scale," proactively scaling back low-margin trading operations. Although this resulted in a significant year-on-year decline in both revenue and net profit, it successfully stabilized the overall gross profit margin, demonstrating robust risk resilience and operational tenacity. Looking ahead to 2026, with the marginal improvement in the industry's supply-demand dynamics and positive shifts in the policy environment, we cautiously anticipate a market recovery, which is expected to lead to a rebound in the Group's performance. The Group will also seize opportunities arising from industry transformation, actively explore trade opportunities in markets beyond mainland China, and build a more resilient business footprint.

At the industry level it is expected that, the supply-demand relationship will gradually improve by 2026.

On the supply side, China's anti-overcapacity policies are intensifying, with strict enforcement against illegal overproduction. Annual net new domestic raw coal output is projected to reach approximately 28 million tons, representing a 0.6% growth rate ("Coal Industry Investment Strategy 2026–Emerging from the Price Trough, Recovery in Sight" (《煤炭行業2026年投資策略–走出價格低谷，景氣修復可期》), CITIC Securities, 9 January 2026). Regarding imported coal, Indonesia has significantly reduced production quotas, with annual coal imports expected to decrease by 40 million tons ("Indonesia cuts production quotas, disrupting global coal trade" (《印尼削減產量配額，攪動全球煤炭貿易》), Guotai Haitong Securities, 4 February 2026). Overall, domestic supply remains stable while overseas imports have slightly declined.

On the demand side, coal's position as the "ballast stone" of energy remains solid. Thermal power generation is expected to bottom out and rebound, with rigid demand for power coal supporting coal prices at their floor. In non-power sectors, chemical coal consumption may grow by 6% amid expectations of new coal chemical projects coming online and a temporary widening of the oil-coal price spread. Weighted across all industries, domestic coal consumption growth is projected to be around +0.6% in 2026 ("Coal Industry Investment Strategy 2026–Emerging from the Price Trough, Recovery in Sight" (《煤炭行業2026年投資策略–走出價格低谷，景氣修復可期》), CITIC Securities, 9 January 2026).

Regarding coal prices, the price center is projected to rise slightly in 2026, with the price centers for port thermal coal/main coking coal potentially increasing to 750 and 1,550 per ton, respectively ("2026 Coal Supply and Demand to Tighten; Thermal Coal Price Center May Rise to 750" (《2026年煤炭供需趨緊動力煤價中樞或升至750元》) Guohai Securities, 7 January 2026). Compared to the sustained decline in coal prices in 2025, this price projection indicates that coal prices will stabilize at low levels and experience a moderate rebound afterwards, leading to a recovery in gross profit margins for the coal washing and trading industries.

The Group will anchor its operations in the coal business and optimize its development strategy: for core operations, leveraging premium coal resources, it will focus on high-calorific thermal coal, low-sulfur pulverized coal injection coal, and other products to consolidate gross profit margins. It will enhance supply chain management, expand high-margin clientele, and hedge against price volatility risks.

In terms of overseas expansion, the Group will leverage Hong Kong's strategic location to focus on exploring emerging markets such as Southeast Asia. The Group will establish overseas trade channels to reduce reliance on single market, enhance risk resilience and competitiveness, and prudently advance the steady development of overseas operations.

In summary, 2026 will be a pivotal year for the Group to recuperate and build momentum. We are confident that with our robust financial structure, flexible supply chain strategy and forward-looking international expansion, we will seize opportunities arising from market recovery to achieve significant performance recovery and sustainable growth.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the reporting period of the Group up to the date of this announcement.

DIVIDEND

The Directors do not recommend the payment of any final dividend in respect of the Year (the Prior Year: nil). There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividend.

PURCHASE, REDEMPTION OR SALE OF SECURITIES OF THE COMPANY

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

CHANGES TO THE BOARD

During the Year and up to the date of this announcement, there are no changes to the information of the members of the Board.

CHANGE OF ADDRESS

The principal place of business of the Company in Hong Kong changed from Unit No. 4, 23rd Floor Overseas Trust Bank Building, No. 160 Gloucester Road Hong Kong to Rooms 36–40, 50/F, Sun Hung Kai Center, 30 Harbour Road, Wan Chai, Hong Kong, with effect from 13 January 2025.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with applicable rules and regulations. The Group's operations are mainly carried out in the PRC and Hong Kong while the shares of the Company are listed on the Stock Exchange in Hong Kong. Hence, the Group shall comply with relevant laws and regulations in the PRC, Hong Kong and the respective places of incorporation of the Company and its subsidiaries. In addition, the Company is required to comply with the Listing Rules and other relevant regulations.

The Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the Year. There was no material breach of or non-compliance with the applicable laws and regulations by the Group for the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company committed to maintain a high standard of corporate governance and has taken appropriate steps to adopt and comply with the provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the Year, with the following exception:

Under code provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the Year, Mr. Cui Yazhou was the Chairman. The Company does not maintain the office of chief executive officer and the duties of a chief executive officer has been taken up by other executive Directors and senior management of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable to those in the Code.

The Company will issue a further announcement regarding the appointment of a new chief executive officer at the appropriate time.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors, the Directors confirm that they have complied with the required standard as set out in the Model Code during the Year.

AUDIT COMMITTEE

The audit committee under the Board (the "Audit Committee") was established in accordance with the requirements of the Code, for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit Committee comprises the three independent non-executive Directors. The Audit Committee has reviewed the annual results for the year ended 31 December 2025.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on this preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for 2026 will be held on 18 June 2026 (the "AGM"). A notice of meeting together with the circular for the AGM will be despatched to the shareholders of the Company according to the Articles of Association and the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 June 2026 to 18 June 2026, both days inclusive, in order to determine the entitlement to attend and vote at the AGM. The record date for determining the entitlement to attend and vote at the AGM is 18 June 2026. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 12 June 2026.

PUBLICATION OF ANNUAL REPORT

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) and the Company (http://www.huili.hk). The annual report of the Company for the year ended 31 December 2025 containing all the information as required by the Listing Rules will be despatched to the shareholders of the Company and made available for review on the same websites in due course.

By order of the Board
Huili Resources (Group) Limited
Cui Yazhou
Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the executive Directors are Mr. Cui Yazhou (Chairman), Ms. Wang Qian, Mr. Ye Xin and Mr. Zhou Jianzhong; the non-executive Director is Mr. Cao Ye; and the independent non-executive Directors are Mr. Chan Ping Kuen, Ms. Xiang Siying and Mr. Yuen Koon Tung.