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Add New Energy Investment Holdings Group Limited
愛德新能源投資控股集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 02623)

**ANNUAL RESULTS FOR THE YEAR
ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

The Group recorded revenue of approximately RMB75.6 million for the year ended 31 December 2025, representing a decrease of approximately 73.2% from the revenue of approximately RMB282.1 million for the year ended 31 December 2024.

The Group's results changed from total comprehensive income attributable to owners of the Company of approximately RMB54.0 million for the year ended 31 December 2024 to total comprehensive loss of approximately RMB83.8 million for the year ended 31 December 2025.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Add New Energy Investment Holdings Group Limited (the “**Company**”) announces the audited consolidated statement of profit or loss and other comprehensive income of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 and the Group's audited consolidated statement of financial position as at 31 December 2025, together with the relevant comparative figures for the year ended 31 December 2024, as follows:

**AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2025**

(Amounts expressed in thousands of Renminbi (“RMB”), unless otherwise stated)

		Year ended 31 December	
	<i>Note</i>	2025	2024
Revenue	5	75,580	282,090
Cost of sales		<u>(72,477)</u>	<u>(266,343)</u>
Gross profit		3,103	15,747
Other income		854	151
Other net gain	6	27,424	123,352
Distribution expenses		–	(1,984)
Administrative expenses		(65,885)	(60,001)
Impairment loss on property, plant and equipment	4	(35,395)	–
Impairment loss on right-of-use assets	4	(9,776)	–
Impairment loss on intangible assets	4	(5,687)	–
Reversal of impairment loss on financial assets		2,977	733
Reversal of write-down/(write-down) of inventories, net		<u>948</u>	<u>(3,178)</u>
Operating (loss)/profit		(81,437)	74,820
Interest income		456	918
Interest expenses		(4,124)	(8,839)
Finance costs – net		(3,668)	(7,921)
Net foreign exchange gain/(loss)		<u>17</u>	<u>(234)</u>
(Loss)/profit before income tax		(85,088)	66,665
Income tax	7	<u>(2,372)</u>	<u>(4,942)</u>
(Loss)/profit for the year attributable to owners of the Company		<u>(87,460)</u>	<u>61,723</u>

		Year ended 31 December	
	<i>Note</i>	2025	2024
Other comprehensive income/(loss):			
<i>Items that will not be reclassified to profit or loss:</i>			
Change in the fair value of financial assets at fair value through other comprehensive income		<u>3,691</u>	<u>(7,761)</u>
Total comprehensive (loss)/income for the year attributable to the owners of the Company		<u>(83,769)</u>	<u>53,962</u>
(Loss)/earnings per share for the year attributable to owners of the Company (expressed in RMB per share)			
(Loss)/earnings per share – basic	9	(25.00 cents)	17.65 cents
(Loss)/earnings per share – diluted	9	<u>N/A</u>	<u>N/A</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(Amounts expressed in thousands of RMB, unless otherwise stated)

	<i>Note</i>	As at 31 December	
		2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment		544,527	315,584
Right-of-use assets		131,787	65,168
Intangible assets	<i>10</i>	152,232	157,194
Financial assets at fair value through other comprehensive income		7,107	3,416
Other non-current assets		20,185	51,330
		<u>855,838</u>	<u>592,692</u>
Current assets			
Inventories		3,295	3,771
Trade and bill receivables	<i>11</i>	2,725	22,671
Contract assets		–	10,405
Prepayments and other receivables	<i>12</i>	49,577	306,441
Pledged bank deposits		2,500	–
Cash and cash equivalents		240,170	80,001
		<u>298,267</u>	<u>423,289</u>
Total assets		<u>1,154,105</u>	<u>1,015,981</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>13</i>	11,802	11,802
Share premium	<i>13</i>	774,217	774,217
Other reserves		(64,898)	(51,430)
Accumulated losses		(259,047)	(188,746)
Total equity		<u>462,074</u>	<u>545,843</u>

		As at 31 December	
	<i>Note</i>	2025	2024
LIABILITIES			
Non-current liabilities			
Provisions for close down, restoration and environmental costs		–	–
Amount due to a former controlling shareholder	<i>16</i>	486,690	–
Amount payable for mining rights			
– non-current portion	<i>10(c)</i>	62,779	73,728
Lease liabilities – non-current portion		1,721	–
Deferred income tax liabilities		–	–
		<u>551,190</u>	<u>73,728</u>
Current liabilities			
Borrowings		7,997	–
Trade payables	<i>14</i>	81,775	20,895
Accruals and other payables	<i>15</i>	17,713	59,417
Amount due to a related company	<i>16</i>	12,505	3,227
Amount due to a director	<i>16</i>	135	–
Amount due to a former controlling shareholder	<i>16</i>	–	263,900
Contract liabilities		2,770	6,158
Amount payable for mining rights – current portion	<i>10(c)</i>	14,340	34,340
Lease liabilities – current portion		920	870
Income tax payable		2,686	7,603
		<u>140,841</u>	<u>396,410</u>
Net current assets		<u>157,426</u>	<u>26,879</u>
Total liabilities		<u>692,031</u>	<u>470,138</u>
Total equity and liabilities		<u>1,154,105</u>	<u>1,015,981</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Notes:

1. GENERAL INFORMATION

Add New Energy Investment Holdings Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 8 February 2011 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries (collectively the “**Group**”) were principally engaged in iron ore processing, and selling of iron concentrates and other minerals in the People’s Republic of China (the “**PRC**”). The Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 27 April 2012.

The directors considered Prominence Investment Holding Company Limited, a company incorporated in the British Virgin Islands and owned by Mr. Ng William and Ms. Wei Jiaming (the “**Controlling Shareholder**”), as the ultimate holding company of the Group.

These consolidated financial statements have been approved for issuance by the Board of Directors (the “**Board**”) on 31 March 2026.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. These consolidated financial statements, also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the Company’s functional and presentation currency.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The Group has not applied any new and amendments to HKFRS Accounting Standards that are not yet mandatorily effective for the current accounting period. The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The amendments have no material impact on the Group's consolidated financial statements for the current year.

4. RECOVERABLE AMOUNT ASSESSMENT ON THE RELATED ASSETS OF ZHUGE SHANGYU ILMENITE ORE MINE

At the end of the reporting period, for the purpose of impairment testing, the Group engaged King Kee Appraisal and Advisory Limited (the “**Independent Valuer**”) (2024: same) to determine the recoverable amount of its property, plant and equipment, intangible assets and right-of-use assets related to the Zhuge Shangyu ilmenite ore mine (collectively referred to as “**Zhuge Shangyu Related Assets**”) as a cash generating unit (“**CGU**”) engaged in iron concentrates and titanium concentrates mining and production operation in Zhuge Shangyu. The recoverable amount of the Zhuge Shangyu Related Assets has been determined based on the fair value less costs of disposal (“**FVLCD**”). The calculation used cash flow projection based on financial budgets approved by management covering the estimated remaining useful life of the mine, which reflected cash flow from the sales of iron and titanium concentrates from the production of Zhuge Shangyu ilmenite ore mine, less estimated costs, discounted at the pre-tax rate of 17.5% (2024: 16.6%), for which the sales of concentrates from the production of the mine would be limited to the estimated reserves available in the mine.

The key assumptions used in the calculation as at 31 December 2025 were as follows:

- Business plan – The cash flow projections are based on the business plan for mine development and production;
- Sales price – Sales price of titanium and iron concentrates are based on current industry trends;
- Discount rate – The discount rate used reflects specific risks relating to the CGU.

During the year ended 31 December 2025, the international geo-political conflicts has been intensified and business environment conditions been unfavorably changed, against which, the Group's business plan (based on which future cash flows are derived) has been formulated to cope with the increased business risks and for the impairment testing, a higher post-tax WACC of 14.5% (2024: 11.5%), corresponding to a pre-tax discount rate of 17.5% (2024:16.6%), has been adopted.

As a result of the assessment, an impairment loss of RMB50,858,000 (2024: Nil) was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2025 against the respective assets of the CGU on a pro-rata basis with reference to their carrying values as follows:

	Impairment loss recognised RMB'000
Property, plant and equipment	(35,395)
Right-of-use assets	(9,776)
Intangible assets	<u>(5,687)</u>
	<u><u>(50,858)</u></u>

5. REVENUE

	Year ended 31 December	
	2025	2024
Trading		
– Sales of blended coal	26,778	185,533
– Sales of coarse iron powder	3,405	58,491
– Sales of semi-coke	36,685	–
	<u>66,868</u>	<u>244,024</u>
Processing service income		
– from processing of iron and other mineral ores	<u>8,712</u>	<u>38,066</u>
	<u><u>75,580</u></u>	<u><u>282,090</u></u>

6. OTHER NET GAIN

	Year ended 31 December	
	2025	2024
Net gain resulted from the disposal of mining right in respect of Yangzhuang Iron Mine and the related assets and an exploration right (<i>Note (a)</i>)	–	115,805
Gain on disposal of an exploration right (<i>Note (b)</i>)	–	7,547
Gain on reversal of over-provision for accrued expenses attributable to Yangzhuang iron mine (<i>Note (c)</i>)	<u>27,424</u>	–
	<u>27,424</u>	<u>123,352</u>

- (a) During the year ended 31 December 2024, the Disposal (as defined in Note 10(a)) was completed. The calculation of the net gain on the Disposal is as follows:

Gross amount receivable from the Purchaser pursuant to the Assets Transfer Agreement	314,484
Less: value-added tax payable for the Disposal	<u>(19,484)</u>
Net proceeds from the Disposal	<u>295,000</u>
Carrying amounts of the Subject Assets and the relating liabilities disposed of	
– Mining right in respect of Yangzhuang Iron Mine	67,853
– Property, plant and equipment	125,160
– Deferred income	(39)
– Provisions for close down, restoration and environmental costs	<u>(13,779)</u>
Net carrying amount of the Subject Assets and the relating liabilities	<u>179,195</u>
Net gain on the Disposal	<u>115,805</u>

As at 31 December 2024, the legal obligation of the amount payable for the mining right in respect of Yangzhuang Iron Mine was yet transferred to the Purchaser. Accordingly, the amount payable continued to be recognised as the Group's liabilities as at 31 December 2024, while the full amount of the payable was reclassified to current liabilities as the amount payable would be used to net off with the proceeds receivable from the Purchaser upon change of legal obligation of the payable, which is not under the Group's control.

- (b) During the year ended 31 December 2024, the Group disposed of an exploration right in respect of Gaozhuang Shangyu Ilmenite Mine with net carrying amount of Nil to a purchaser at an agreed consideration of RMB8,000,000. Gain on disposal as calculated by deducting the relevant value-added tax of approximately RMB453,000 from the consideration of RMB8,000,000, being approximately RMB7,547,000 was recognised in the consolidated profit or loss for the year ended 31 December 2024.
- (c) During the year ended 31 December 2025, the new mining certificate has been formally issued to the Purchaser under the Disposal. As at 31 December 2024, the Group has accrued for certain expenses during the course of its operations in Yangzhuang Iron Mine in previous years, which remained unpaid up to date. In view of legal title of the mining right and related assets having been transferred to the Purchaser and legal opinion sought by the Group in respect of the legal exposure to these long outstanding accrued expenses, the Group considered that the probability of request for payment of these accrued expenses were remote and accordingly, provision for these accrued expenses were reversed and credited as a gain recognised in the consolidated profit or loss during the year ended 31 December 2025.

7. INCOME TAX

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

The subsidiaries of the Company incorporated in the BVI under the International Business Companies Acts of the British Virgin Islands are exempted from payment of the BVI income tax.

Hong Kong profits tax has not been provided for the subsidiaries in Hong Kong as there is no taxable income arising in or derived from Hong Kong during the years ended 31 December 2025 and 2024.

Corporate income tax in the PRC is calculated based on the statutory profit of the subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain items of income and expenses that are not assessable or deductible for income tax purposes.

For the years ended 31 December 2025 and 2024, PRC corporate income tax has been provided for at the rate of 25% on the assessable profits of the Group's PRC subsidiaries, except for Shandong Ishine which had available tax losses brought forward from previous years which fully offset its assessable profit for the year ended 31 December 2023, and no provision had been made for Shandong Shengtai as the subsidiary incurred a loss for both years.

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	Year ended 31 December	
	2025	2024
PRC Corporate Income Tax		
– Current tax	2,504	5,654
– Over-provision in previous years	(132)	(712)
Deferred tax		
– Origination and reversal of temporary differences	–	–
	<u>2,372</u>	<u>4,942</u>

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rates applicable to (loss)/profit of the consolidated entities as follows:

	Year ended 31 December	
	2025	2024
(Loss)/profit before income tax	<u>(85,088)</u>	<u>66,665</u>
Tax calculated at domestic tax rates applicable in the respective jurisdictions	(20,058)	18,279
Tax effects of:		
– Income not taxable	–	(5)
– Expenses not deductible for tax purposes	15,072	3,971
– Tax loss not recognised	7,360	4,007
– Utilisation of tax losses previously not recognised	130	(20,598)
Over-provision in previous years	<u>(132)</u>	<u>(712)</u>
Income tax expense	<u>2,372</u>	<u>4,942</u>

8. DIVIDENDS

The Board did not recommend a final dividend for the year ended 31 December 2025 (2024: Nil).

9. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
(Loss)/profit attributable to owners of the Company	(87,460)	61,723
Weighted average number of ordinary shares in issue	<u>349,785,528</u>	<u>349,785,528</u>
Basic (loss)/earnings per share (Expressed in RMB cents per share)	<u>(25.00)</u>	<u>17.65</u>

(b) Diluted

There was no dilutive instrument of the Company for the years ended 31 December 2025 and 2024, no diluted (loss)/earnings per share was presented.

10. INTANGIBLE ASSETS

The Group recognised intangible assets, being the mining rights in respect of two mines upon the issuing of mining permits during the year ended 31 December 2024. The Group has disposed of its mining right in respect of Yangzhuang iron ore mine during the year ended 31 December 2024.

Mining rights

	Yangzhuang <i>RMB'000</i> <i>(note (a))</i>	Zhuge Shangyu <i>RMB'000</i> <i>(note (b))</i>	TOTAL <i>RMB'000</i>
As at 1 January 2024	67,853	154,314	222,167
Additions	–	2,880	2,880
Disposal	<u>(67,853)</u>	<u>–</u>	<u>(67,853)</u>
As at 31 December 2024 and 1 January 2025	–	157,194	157,194
Additions	–	725	725
Impairment	<u>–</u>	<u>(5,687)</u>	<u>(5,687)</u>
As at 31 December 2025	<u>–</u>	<u>152,232</u>	<u>152,232</u>

Notes:

- (a) The Group applied for the renewal of the mining right of Shandong Ishine's Yangzhuang iron ore mine which expired on 20 June 2019. Pursuant to an agreement dated 3 August 2020 entered into between Shandong Ishine and the PRC relevant authorities, Shandong Ishine is required to pay a total consideration of RMB70,466,000 for the renewal of mining right in relation to Shandong Ishine's Yangzhuang iron ore mine. In August 2023, the mining permit for Yangzhuang iron ore mine has been granted. The agreed consideration of RMB70,466,000 (including RMB45,466,000 paid and RMB25,000,000 payable) with a fair value of approximately RMB67,853,000, was capitalised as intangible assets of the Group during the year ended 31 December 2023.

During the year ended 31 December 2024, the Group entered into an assets transfer agreement dated 21 May 2024 (as supplemented by two supplemental agreements dated 12 June 2024 and 28 June 2024, respectively) (the “**Assets Transfer Agreement**”) with Shandong Dane Mining Technology Co., Ltd. (the “**Purchaser**”), a company registered in the PRC, pursuant to which the Group has agreed to dispose of and the Purchaser has agreed to acquire certain assets of the Group (the “**Subject Assets**”), including the mining right in respect of Yangzhuang Iron Mine and the related assets and the exploration right over Qinjiazhuang Ilmenite Project, at a consideration of approximately RMB314,484,000 less outstanding amount payable for the mining right in respect of Yangzhuang Iron Mine (the “**Disposal**”).

The Disposal had been completed as at 31 December 2024 in accordance with the Assets Transfer Agreement given that (i) the Assets Transfer Agreement and the Disposal have been approved in the extraordinary general meeting of the Company held on 16 August 2024; (ii) the control of the Subject Assets (related leasehold and contracted land and building and processing plant assets) has been passed to the Purchaser during the year ended 31 December 2024; and (iii) a public announcement by the relevant PRC authorities for the sales of the mining right in respect of Yangzhuang Iron Mine has been made during the period from 17 to 30 December 2024, and the relevant PRC authorities confirmed on 31 December 2024 that no objection had been received. The Group considered that the issuance of the new mining certificate in respect of Yangzhuang Iron Mine in the name of the Purchaser to be merely an administrative process and the risks and rewards deriving from the Subject Assets had been duly passed to the Purchaser. Further details on the gain on disposal of the Subject Assets are disclosed in Note 6(a).

As at 31 December 2024, Shandong Ishine has paid RMB50,466,000 for the renewal of mining right. The remaining amount of RMB20,000,000 should be payable in four instalments from 2025 to 2028 in accordance with the mining right renewal agreement. However, pursuant to the Assets Transfer Agreement, as the outstanding payable for the mining right in respect of Yangzhuang iron ore mine will be settled by netting off with the consideration receivable from the Purchaser, the amount of RMB20,000,000 has been reclassified as current liabilities as at 31 December 2024. Upon the settlement received from the Purchaser during the year ended 31 December 2025, the amount payable in respect of Yangzhuang iron ore mine of RMB20,000,000 was derecognised.

- (b) The Group has obtained the new mining right certificate of Shandong Ishine's Zhuge Shangyu ilmenite ore mine with an annual mining capacities of 800,000 metric tonnes per year. Pursuant to an agreement dated 17 November 2022 entered into between Shandong Ishine and the PRC relevant authorities, Shandong Ishine is required to pay a total consideration of approximately RMB171,349,000 for the Shandong Ishine's Zhuge Shangyu ilmenite ore mine. In November 2023, the mining permit for Zhuge Shangyu ilmenite ore mine was granted. The agreed consideration of RMB171,349,000 (including RMB51,349,000 paid and RMB120,000,000 payable) with a fair value of approximately RMB149,884,000, together with the relevant other costs of approximately RMB4,430,000, totalling approximately RMB154,314,000 was capitalised as intangible assets of the Group during the year ended 31 December 2023. During the years ended 31 December 2025 and 2024, additional relevant other costs of approximately RMB725,000 and RMB2,880,000 respectively, have been capitalised as intangible assets of the Group.

As at 31 December 2025, Shandong Ishine has paid approximately RMB81,349,000 (2024: RMB66,349,000). The remaining amount of RMB90,000,000 (2024: RMB105,000,000) will be payable in six (2024: seven) instalments from 2026 to 2031 (2024: 2025 to 2031), for which the amounts payable discounted by the interest rate being Shandong Ishine's cost of debt at 4.6% per annum, to the present value of approximately RMB14,340,000 (2024: RMB34,340,000) and RMB62,779,000 (2024: RMB73,728,000), were included in the Group's current liabilities and non-current liabilities as at 31 December 2025, respectively.

- (c) As at 31 December 2025 and 2024, amounts payable for mining rights are as follows:

As at 31 December 2025

	Yangzhuang	Zhuge Shangyu	TOTAL
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(note (a))</i>	<i>(note (b))</i>	
Classified as current liabilities	–	14,340	14,340
Classified as non-current liabilities	–	62,779	62,779
	–	77,119	77,119

As at 31 December 2024

	Yangzhuang RMB'000 (note (a))	Zhuge Shangyu RMB'000 (note (b))	TOTAL RMB'000
Classified as current liabilities	20,000	14,340	34,340
Classified as non-current liabilities	–	73,728	73,728
	<u>20,000</u>	<u>88,068</u>	<u>108,068</u>

11. TRADE AND BILL RECEIVABLES

	As at 31 December	
	2025	2024
Trade receivables	326	25,974
Less: allowance for impairment of trade receivables	<u>(326)</u>	<u>(3,303)</u>
Trade receivables, net	–	22,671
Bill receivables	<u>2,725</u>	<u>–</u>
Trade and bill receivables – net	<u>2,725</u>	<u>22,671</u>

All trade receivables were derived from contracts with customers. At 1 January 2024, trade receivables from contracts with customers, after deduction of expected credit losses of RMB4,036,000, amounted to RMB28,914,000.

The ageing analysis of trade receivables (before deduction of provision for impairment loss) presented based on invoice dates, is as follows:

	As at 31 December	
	2025	2024
Within 3 months	–	22,923
Over 3 months but less than 6 months	–	–
Over 6 months but less than 1 year	–	–
Over 1 year	<u>326</u>	<u>3,051</u>
	<u>326</u>	<u>25,974</u>

The Group's trade and bill receivables were denominated in RMB.

12. PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
Consideration receivable for the Disposal	–	259,484
Trade deposits to suppliers	2,919	8,496
Utility deposits	1,323	1,894
Prepaid taxes	1,548	7,271
Prepaid rent and motor vehicle expenses	917	–
Land restoration deposits	8	34
Deductible input value-added tax	26,979	12,622
Advances to employees	60	191
Compensation receivable	15,000	15,000
Others	823	1,449
	<u>49,577</u>	<u>306,441</u>

13. SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares, issued and fully paid:

	Number of shares	Share capital	Share premium (a)	Total
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>350,286,528</u>	<u>11,802</u>	<u>774,217</u>	<u>786,019</u>

(a) Share premium

The application of the share premium account is governed by the Companies Act of the Cayman Islands. Under the Companies Act of the Cayman Islands, the funds in share premium account are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

14. TRADE PAYABLES

	As at 31 December	
	2025	2024
Trade payables	<u>81,775</u>	<u>20,895</u>

The ageing analysis of trade payables presented based on invoice dates, is as follows:

	As at 31 December	
	2025	2024
Within 6 months	80,626	11,151
Over 6 months but less than 1 year	–	3,919
Over 1 year	<u>1,149</u>	<u>5,825</u>
	<u>81,775</u>	<u>20,895</u>

The Group's trade payables were denominated in RMB.

15. ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2025	2024
Accrued land compensation costs	111	11,616
Advanced construction funds from government	1,000	11,950
Guarantee deposits retained for capital expenditure	9,562	2,572
Value-added tax payable for the Disposal	–	19,484
Value-added tax and other taxes payable	597	4,654
Employee benefits payable	2,958	5,394
Others	<u>3,485</u>	<u>3,747</u>
	<u>17,713</u>	<u>59,417</u>

16. AMOUNTS DUE TO A RELATED COMPANY, A DIRECTOR, AND A FORMER CONTROLLING SHAREHOLDER

	As at 31 December	
	2025	2024
Amount due Mr. Li Yunde, a former controlling shareholder <i>(note (a))</i>		
Classified as non-current liabilities	(486,690)	–
Classified as current liabilities	–	(263,900)
Amount due to Hongfa, a related company <i>(note (b))</i>	(12,505)	(3,227)
Amount due to Ms. Wei Jiaming, a director <i>(note (b))</i>	(135)	–
	<u><u> </u></u>	<u><u> </u></u>

(a) The balance was unsecured, interest-free, with no fixed repayment terms and repayable only when sufficient resources are available.

(b) The balances were unsecured, interest-free, with no fixed repayment terms.

17. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet provided for in the consolidated financial statements, is as follows:

	As at 31 December	
	2025	2024
Property, plant and equipment	32,126	9,400
	<u><u> </u></u>	<u><u> </u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The principal activities of the Group are iron and ilmenite ore exploration, mining and processing in Shandong Province, as well as trading of iron concentrates and other minerals in Shandong Province and Gansu Province, the People's Republic of China (the "PRC"). The Group has engaged in ilmenite ore mining and ilmenite ore processing to produce and sell iron concentrates and titanium concentrates since 2013, establishing a full titanium industrial chain in Shandong Province, the PRC. The Group's major customers are iron pellets makers and steel manufacturers located in close proximity. Starting from 2021, the Group utilised its processing capacity to provide processing services in respect of iron and other mineral ores to customers.

At the beginning of 2025, the Group possessed mining and exploration rights in respect of Zhuge Shangyu Ilmenite Mine (諸葛上峪鈦鐵礦), an ilmenite and magnetite mine located in Yishui County, Shandong Province, the PRC ("**Zhuge Shangyu Ilmenite Mine**").

The Company actively responded to the government's call and seized the opportunities provided by national policies by developing clean energy such as wind power, photovoltaic power and solar thermal power into new economic growth points, which have made substantial progress. The Company has been continuing its strategic business plan and expansion into new business including (but not limited to) clean energy business, sticking to the development of iron and titanium concentrates business, deepening and expanding the building of whole industrial chain of titanium products including sponge titanium and high purity titanium.

The Group's revenue decreased by approximately RMB206.5 million, or approximately 73%, to approximately RMB75.6 million for the year ended 31 December 2025, as compared with approximately RMB282.1 million for the year ended 31 December 2024. The decrease in revenue was primarily due to the decrease in turnover of sales of trading commodities by approximately RMB177.2 million resulted from the slowing down of the Group's trading activities due to fluctuation of mineral prices in 2025, as well as the decrease in processing service income by approximately RMB29.4 million.

The Group recorded total comprehensive loss of approximately RMB83.8 million for the year ended 31 December 2025, as compared with the total comprehensive income of approximately RMB54.0 million for the year ended 31 December 2024, mainly attributable to the recognition of an impairment loss on the non-financial assets of the Group's mining and ore processing cash-generating unit in respect of Zhuge Shangyu Ilmenite Mine of approximately RMB51.0 million; and the absence of one-off disposal gains of approximately RMB123.3 million from the disposal of mining rights in respect of Yangzhuang Iron Mine and related assets and an exploration right recorded for the year ended 31 December 2024.

Measures Taken by the Management in 2025

The total comprehensive loss of the Group was approximately RMB83.8 million for the year ended 31 December 2025, as opposed to total comprehensive income of approximately RMB54.0 million for the year ended 31 December 2024; and the operating revenue decreased by approximately RMB206.5 million, representing a decrease of approximately 73.2% as compared to approximately RMB282.1 million for the year ended 31 December 2024.

The management has taken the following measures during the year ended 31 December 2025:

2025 WORK REVIEW

In 2025, the Group released new production capacity in a planned manner in accordance with changes in the market situation, and continued to strengthen its traditional principal business of protective mining, production, sales and services of iron and titanium ores. The Group continued to invest in scientific research for the expansion of the entire titanium industrial chain, and strengthened the expansion of such investment businesses as logistics and new energy in Xinjiang. Progress in the construction of the Zhuge Shangyu comprehensive low-carbon environmental protection project was further strengthened.

The main work review is as follows:

I. Strengthen the construction of the ilmenite industrial chain

Made great efforts in the planning and implementation of an industrial chain, including mining and processing of ilmenite ore and production of titanium concentrates. On the basis of continuing to enhance research and development cooperation with the Chinese Academy of Sciences and the Russian Academy of Sciences, the Group cooperated with Lanzhou Engineering & Research Institute of Nonferrous Metallurgy which was entrusted to complete the preliminary design, and Beijing Institute of Mineral Resources (北京礦物研究院) was in charge of the demonstration and experimentation, and entrusted them to carry out the processing design, processing process improvement and technical guidance of ilmenite ore concentrate. The construction of the processing plant was designed according to the mine's 10 million tonnes per year capacity, with the first-phase of the processing plant being equipped according to the 5 million tonnes per year processing capacity and the infrastructure organized according to the 10 million tonnes per year processing capacity, aiming to achieve substantial industrialization and technical breakthroughs.

II. Progress of the mining right of Zhuge Shangyu Ilmenite Mine

After completing the reserves filing certificate, submission of geological data, registration of occupied reserves, and payment of the consideration for reserves, the new mining permit for Zhuge Shangyu Ilmenite Mine has been completed.

1. Extension of exploration rights and capacity expansion

The exploration certificates for Zhuge Shangyu Ilmenite Mine that were previously expired have been renewed, and Shandong Ishine Mining Industry Co., Ltd. applied for an increase in mining capacity from 800,000 tonnes to 1,400,000 tonnes per annum. Upon review by the Linyi Natural Resources and Planning Bureau, the change of mining rights (deep-level boundary expansion) for the Shangyu Ilmenite Mine of Shandong Ishine Mining Industry Co., Ltd. complied with the laws and regulations on mineral resource management as well as the relevant policy provisions of the Ministry and the Province. The application for the registration of the change in the mining area scope (deep-level boundary expansion) of the mining rights has been approved. It is expected that the mining permit to increase up to 1.4 million tonnes can be obtained by mid-2026.

2. Technical service cooperation

The Group has signed a technical service contract with Shandong Zhaojin Geological Exploration Co., Ltd. and entrusted them to carry out the mining license and project approval for conducting large-scale mining activities in the Shangyu mining area in Yishui County, Shandong Province. All the relevant works are under formal approval.

III. Construction of Zhuge Shangyu processing plant

A large amount of basic work was done by the Group for the construction of high standard intelligent mine and ore processing plant in Zhuge Shangyu. Zhuge Shangyu Mine and Processing Plant this year mainly focused on mining, ilmenite ores production line construction, living and office area construction, science and technology center and production automation construction. The existing production system of Zhuge Shangyu processing plant has been in production, and the construction of new system and regional planning has been basically determined. By making full use of its market and location advantages, the Group actively conducted the businesses of port trade as well as overseas mines processing, in order to improve revenue and maintain business sustainability.

1. Construction progress

In 2025, the overall construction of the civil construction main body of the renovated plant has been completed, the steel structure processing has been completed. The main roof of the crushing workshop has been sealed, and equipment installation has been largely completed, the main frame of the steel structure of the sorting workshop has been completed, and the construction of the steel structure of the tailings workshop has been completed. The specifications of the machinery and equipment have also since been undergoing adjustments and fine-tuning based on the results of tests conducted. The Group will further coordinate and improve the routine production startup plan according to the progress and outcomes of the testing, trial production, and commissioning processes. Should progress proceed smoothly, it will lay the foundation for the output of iron concentrate and titanium concentrate in 2026.

2. Mining conditions of the mine

Mining permit and environmental impact assessment procedures of Zhuge Shangyu Mine have been completed, with mining conditions being favorable. To expand production capacity, the Company commissioned Shandong No.8 Institute of Geological and Mineral Exploration to conduct exploration for the section from below 100 meters to above 0 meters.

IV. Trade of coal and coal products

The Group will capture suitable business opportunities and take advantage of the logistics advantages of Xinjiang and the favorable geographical conditions of Yumen Office in Gansu Province in making full use of the existing customer relationship resources to increase the trade volume of coal and coal products, strive for sustainable and compliant operation and create better economic benefits.

V. Strengthen internal control and management

Strengthened internal control management and made market-based comprehensive assessment of related transactions. The Group improved integrated and standardized management level and laid the management foundation for performance improvement.

VI. Layout of low-carbon environmental protection and new energy projects

Focused on low-carbon, environmental protection and new energy sustainable growth projects for examining and selecting and planned to adjust our industrial structure for the benefit of investors. Shandong Shengtai Mining Technology Company Limited was awarded the New Materials category for Major Technological Innovation Breakthroughs with its project “Titanium Full-Industry Chain Integration – Comprehensive Utilization of Green and Low-carbon Ilmenite Resources and Titanium Material Deep Processing R&D Center”. This project was recognized by the Provincial Development and Reform Commission as a major industrial breakthrough reserve project for the 2025 Provincial New and Old Kinetic Energy Conversion. It provided strong support for Linyi City in promoting the construction of a pilot zone for green, low-carbon, and high-quality development, serving as a model for other counties and districts to learn from. This will strengthen project planning and reserves, as well as collaborative efforts for project application and acquisition in 2026.

VII. Pay attention to new technologies and market changes

While the principal business was developing, followed up new technologies, new materials and new opportunities on the market, and responded to market changes in a timely manner.

VIII. Scientific research innovation and qualification certification

In terms of scientific research and innovation, Shandong Shengtai Mining Technology Company Limited was approved as a high and new technology enterprise, a municipal level engineering technology research center and an enterprise technology center, and was also approved as a provincial-level intelligent factory and an “AA” level enterprise for the fusing informatization with industrialization. In 2025, Shandong Shengtai Mining Technology Company Limited was designated as the municipal-level “One Enterprise, One Technology” R&D Center, and the provincial-level intelligent manufacturing enterprise and enterprise technology center, which has laid a solid foundation for the research and development of scientific research topics of the Company.

In order to cope with the challenges of cutting-edge technology, we have always maintained a leading position in the industry. Since last year, the Group has actively cooperated with industry experts and professional colleges and universities, entered into contracts with expert consultants, and established in-depth cooperation with Yunnan Minzu University and other top domestic universities and scientific research institutions. Open up the industry-university-research chain to provide a continuous intellectual support for the development of subsequent projects of the enterprise.

IX. Inclusion in major scientific research projects

To enhance the independent innovation capability and core competitiveness of enterprises, and to promote the deep integration of scientific and technological innovation with industrial innovation, and following recommendations from relevant municipal units and expert demonstrations, the project “Industrialization R&D for Comprehensive Utilization and Quality and Efficiency Improvement of Green and Low-carbon Ilmenite Resources” by Shandong Shengtai Mining Technology Company Limited has been included in the 2025 Shandong Province Enterprise Technological Innovation Project Plan (Second Batch).

X. Digitalisation benchmark construction

By integrating resources such as university research capabilities and digital service institutions, Shandong Shengtai Mining Technology Company Limited has been included in the “Morning Star Factory” construction pilot program by the Shandong Provincial Department of Industry and Information Technology. The Company shared its successful path in constructing “Morning Star Factory” with other enterprises, fully unleashing the demonstration and driving effects of a benchmark enterprise. The system will systematically summarize replicable and scalable construction models and experimental experiences, leading the high-quality development of new industrialization with digital benchmarks to create a demonstration model for regional industrial digital transformation.

OPERATION OVERVIEW AND CAPITAL EXPENDITURE

I. Production and operation of titanium and iron mine

1. *Zhuge Shangyu Ilmenite Mine*

The Group currently possesses a mining permit of Zhuge Shangyu Ilmenite Mine with an approved annual mining production scale of 0.8 Mt.

The Group has contracted for the construction of a new 10.0 Mt processing line and production line in the mine.

In 2025, the Group invested approximately RMB224.2 million in processing and production lines in Zhuge Shangyu Ilmenite Mine. The processing and production lines will be ready to be used in 2026.

During the year ended 31 December 2022, an agreement was reached by the Group with the relevant authorities for the renewal of the mining permit for Zhuge Shangyu Ilmenite Mine, pursuant to which, the Group is required to pay for approximately RMB171.3 million of which approximately RMB81.3 million were paid by the Group up to 31 December 2025. The new mining permit for Zhuge Shangyu Iron Mine has been issued by the relevant authorities to the Group in November 2023. The safety production permit was issued by the relevant competent authorities on 4 January 2026. Up to 31 December 2025, there were no mining and production activities carried out in the mine. Certain exploration activities and trial production were conducted in the mine during 2025.

II. Development of green mines

The Group enhanced the internal construction of green mining. It practised green mining throughout the daily operation of the mines; improved corporate management system and safety measures; organised regular trainings with the aim to enhance the professional skills of staff and extend corporate culture. It enhanced the interaction with local communities and established a sound system of consultation and coordination. On top of that, it increased the enterprise-local cooperation on projects by capitalising on its own advantages as an enterprise so as to actively promote the local economic development and the enterprise-local integration. By way of legal, scientific and green mining, the Group gradually turned its resource advantages into economic, social and environment advantages with an aim to realise green mining practices, harmonious community, circular economy and diversified and sustainable development.

In 2025, by closely following market changes, the Group adhered to the development of titanium business, adjusted titanium and iron concentrates production in a timely manner and continued exploring expanding new energy business, particularly for solar thermal projects. The Group made targeted adjustment to its working plan and actively sought for new sources of economic growth.

RESOURCES AND RESERVES OF MINES

The mine owned by the Group has significant iron and titanium ore reserves and resources. According to the report of the independent technical adviser Micromine Consulting Services (“**Micromine**”), as at November 2011 as disclosed in the prospectus of the Company dated 17 April 2012, the total proved and probable reserve of ore in Zhuge Shangyu Ilmenite Mine was approximately 546.29 Mt at an average grade of approximately 5.69% TiO₂ and approximately 12.81% TFe (total iron).

Micromine has updated the resources and reserves under the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy (“**JORC**”) in 2013 by adopting the following assumptions:

Zhuge Shangyu Ilmenite Mine

1. Resource reporting cut-off grade: 9.2% TiO₂ equivalent.
2. Underground resources and reserves remain unchanged from the previous (2012) Micromine estimate.
3. Mineral resources are inclusive of the ore reserve.
4. The reserve includes diluting material with an assumed diluent grade of 0%, total dilution used was 9%.
5. The Micromine reserve is stated based on titanium with an iron credit.
6. The Open Pit Ore Reserve block model depletion for the Zhuge Shangyu resource was approximately 0.27 Mt grading 5.69% TiO₂ and 12.78% TFe compared to reported production of approximately 0.26 Mt grading 6.75% TiO₂ and 13.44% TFe for the period from September 2013 to December 2013 inclusive.
7. The underground mining height is 50 m to 60 m.

Reason for the changes in the resources and reserves estimates:

During the period from November 2011 to August 2013, there was no difference in resources and reserves. During the period from September 2013 to December 2013, reserves were reduced by approximately 0.27 Mt due to mining activities.

Based on (1) the resources and reserves under the JORC for Zhuge Shangyu Ilmenite Mine as at November 2011 as disclosed in the prospectus of the Company dated 17 April 2012; and (2) the estimated amount of ores mined by the Group from September 2013 to December 2013, the Group's estimated resources and reserves as at 31 December 2025 were as follows:

JORC ore reserve estimate as of 31 December 2025: *(Note: JORC ore reserves as of 31 December 2013 less exploitation during the period from 1 January 2014 to 31 December 2025. On 2 November 2017, the Group disclosed the area of exploration was changed in Zhuge Shangyu, which deduced the total reserve.)*

	Zhuge Shangyu Ilmenite Mine
Ore reserves (Mt)	
– proved	199.40
– probable	204.50 ^(Note)
	<hr/>
Total ore reserves	403.90
	<hr/> <hr/>
Grade of total iron (TFe) (%)	
– proved	12.78
– probable	12.83
Average grade of total iron (TFe) (%)	12.82
	<hr/> <hr/>
Grade of titanium dioxide (TiO ₂) (%)	
– proved	5.76
– probable	5.65
Average grade of total titanium dioxide (TiO ₂) (%)	5.69
	<hr/> <hr/>

Note: Out of the total probable reserves, about 199.71 Mt is underground reserves.

Zhuge Shangyu Ilmenite Mine resources estimate as of 31 December 2025: *(Note: JORC mineral resources as of 31 December 2013 less exploitation during the period from 1 January 2014 to 31 December 2025. On 2 November 2017, the Company disclosed the area of exploration was changed in Zhuge Shangyu, which deduced the total reserve.)*

Resources Category	Resources (Mt)	SG (t/m ³)	TiO ₂ (%)	TFe (%)
Measured	372.6	3.19	6.23	14.04
Indicated	<u>118.3</u>	<u>3.13</u>	<u>6.14</u>	<u>14.18</u>
Total Measured and Indicated	490.9	3.17	6.19	14.10
Inferred	<u>4.0</u>	<u>3.13</u>	<u>5.92</u>	<u>15.03</u>
Total Resources	<u><u>494.9</u></u>	<u><u>3.16</u></u>	<u><u>6.19</u></u>	<u><u>14.10</u></u>

EXPLORATION, DEVELOPMENT AND MINING PRODUCTION ACTIVITIES AND COSTS

During the year ended 31 December 2025, the Group did not incur material expenditure in its exploration activities (2024: Nil).

Payments for mining rights amounted to RMB15,000,000 (2024: RMB20,000,000) and the relevant costs incurred for mining rights which have been capitalised amounted to RMB725,000 (2024: RMB2,880,000) for the year ended 31 December 2025. Capital expenditure of approximately RMB224,156,000 (2024: RMB145,341,000) were incurred for the development of processing and production lines in Zhuge Shangyu Ilmenite Mine for the year ended 31 December 2025.

The Group did not process any iron ores previously mined from the Group's mines during the years ended 31 December 2025 and 2024. Accordingly, no analysis of cost is presented.

FINANCIAL REVIEW

For the year ended 31 December 2025, the Group recorded revenue of approximately RMB75.6 million as compared with approximately RMB282.1 million for the year ended 31 December 2024, representing a decrease of approximately RMB206.5 million. For the years ended 31 December 2025 and 2024, approximately 88.5% and 86.5% of the Group's total sales, respectively, consisted of the sales of trading commodities, including blended coal, semi-coke, and coarse iron powder. Starting from 2021, the Group started to provide processing services to customers, the attribution of processing service income represented approximately 11.5% and 13.5% of the total sales in 2025 and 2024.

PRICES OF THE GROUP'S PRODUCTS

Iron Concentrates

The unit price of 65% and 64% iron concentrates produced by the Group mainly depends on the iron content contained in the Group's iron concentrates and is affected by the market conditions, including but not limited to the global, PRC and Shandong supply of and the demand for iron ore products and the prosperity of the Shandong steel industry.

The Group did not sell 65% and 64% iron concentrates for the year ended 31 December 2025.

Titanium Concentrates

Since 2013, the Group has been engaging in ilmenite ore exploration, ilmenite ore mining and ilmenite ore processing. The unit price of titanium concentrates produced by the Group mainly depends on the titanium content contained in the Group's titanium concentrates and is affected by the market conditions, including but not limited to the global, PRC's and Shandong's supply of and demand for ilmenite ore products and the prosperity of the Shandong steel industry.

The Group did not sell titanium concentrates for the year ended 31 December 2025.

Revenue

Revenue was generated from trading activities as well as from sales of the Group's products to external customers net of value-added tax. The Group's processing service income and revenue from sales of the Group's products are mainly affected by the Group's total sales volume which in turn is subject to the Group's mining and processing capacity, market conditions and price of the Group's products. The following table sets forth a breakdown of the Group's revenue for the periods indicated:

	Year ended 31 December 2025 <i>RMB'000</i>		Year ended 31 December 2024 <i>RMB'000</i>	
Revenue				
Sales from trading activities				
– from blended coal	26,778	35.5%	185,533	65.8%
– from coarse iron powder	3,405	4.5%	58,491	20.7%
– from semi-coke	36,685	48.5%	–	–
	<u>66,868</u>	<u>88.5%</u>	<u>244,024</u>	<u>86.5%</u>
Processing service income				
– from processing of iron and other mineral ores	8,712	11.5%	38,066	13.5%
Sales of iron concentrates produced by the Group	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u><u>75,580</u></u>	<u><u>100.0%</u></u>	<u><u>282,090</u></u>	<u><u>100.0%</u></u>

The following table sets forth a breakdown of the volume of iron concentrates and trading products sold by the Group for the periods indicated:

	Year ended 31 December 2025 (Kt)	Year ended 31 December 2024 (Kt)
Sales volume of trading activities		
– from blended coal	176.7	599.1
– from coarse iron powder	3.9	73.9
– from semi-coke	180.1	–
	360.7	673.0
Sales volume of iron concentrates produced by the Group	–	–
	360.7	673.0

The following table shows the Group’s total production volumes of iron concentrates.

	Year ended 31 December 2025 (Kt) (approximately)		Year ended 31 December 2024 (Kt) (approximately)	
Iron concentrates produced by the Group				
Amount of iron concentrates produced	–	–	–	–
	–	–	–	–

For the year ended 31 December 2025, revenue was mainly derived from trading of blended coal, coarse iron powder, and semi-coke. Resulted from the establishment of a subsidiary which operates a trading business in the Gansu Province starting from late 2021 which geographically guaranteed a stable supply of blended coal and semi-coke, trading activities continued to attribute a major portion of revenue of the Group. However, due to the fluctuation in the price of iron and coal products and which exhibited a general downward trend that was largely attributable to weakened demand resulting from slowdown in the global and domestic economies as heightened by, among other things, the China-United States trade war, as well as oversupply, in the downstream steel production and other industries, the management of the Group has erred on the side of caution and strategically limited its trading activities and slowed down its trading activities in 2025 which resulted in a drop in annual trading revenue compared to 2024. The Group has also engaged in subcontracting arrangements with customers on processing iron and other mineral ores starting from second half of 2021, which contributed revenue of approximately RMB8.7 million in 2025 compared to RMB38.1 million in 2024. The major reason for the decrease is attributable to processing service customers reducing the orders placed with the Group mainly due to stagnant domestic and global economies as mentioned above.

The Group's revenue decreased by approximately RMB206.5 million, or approximately 73.2%, to approximately RMB75.6 million for the year ended 31 December 2025, as compared with approximately RMB282.1 million for the year ended 31 December 2024. The decrease in revenue was primarily due to the decrease in turnover of sales of trading commodities by approximately RMB177.2 million resulted from the slowing down of the Group's trading activities due to fluctuation of mineral prices in 2025 as mentioned above, as well as the decrease in processing service income by approximately RMB29.4 million due to reasons disclosed above.

Cost of Sales

The following table sets forth a breakdown of the Group's cost of sales for the periods indicated:

	Year ended 31 December 2025		Year ended 31 December 2024	
	<i>RMB'000</i>		<i>RMB'000</i>	
Cost of Sales				
Cost of sales of trading activities				
– from blended coal	27,100	37.4%	173,522	65.2%
– from coarse iron powder	3,403	4.7%	58,411	21.9%
– from semi-coke	35,728	49.3%	–	–
	<u>66,231</u>	<u>91.4%</u>	<u>231,933</u>	<u>87.1%</u>
Cost of sales of processing service income				
– from processing of iron and other mineral ores	6,246	8.6%	34,410	12.9%
Cost of sales of iron concentrates produced by the Group				
	–	–	–	–
	<u>72,477</u>	<u>100.0%</u>	<u>266,343</u>	<u>100.0%</u>

Cost of sales was mainly incurred for cost of purchased commodities for trading purposes. The cost of sales also included costs of providing processing services.

Total cost of sales decreased by approximately RMB193.9 million, or approximately 72.8%, to approximately RMB72.5 million for the year ended 31 December 2025, as compared with approximately RMB266.3 million for the year ended 31 December 2024, which is in line with the decrease in sales.

Gross profit and gross profit margin

The following table sets forth a breakdown of the Group's gross profit and gross profit margins for the years indicated:

	Year ended 31 December 2025		Year ended 31 December 2024	
	<i>RMB'000</i>		<i>RMB'000</i>	
Gross profit				
Gross profit of trading activities				
– from blended coal	(322)	(10.4%)	12,011	76.3%
– from coarse iron powder	2	0.1%	80	0.5%
– from semi-coke	957	30.8%	–	–
	<u>637</u>	<u>20.5%</u>	<u>12,091</u>	<u>76.8%</u>
Gross profit of provision of processing services				
– from processing of iron and other mineral ores	2,466	79.5%	3,656	23.2%
Gross profit of iron concentrates produced by the Group	–	–	–	–
	<u>3,103</u>	<u>100.0%</u>	<u>15,747</u>	<u>100.0%</u>

	Year ended 31 December 2025	Year ended 31 December 2024
Gross profit margin		
Gross profit margin of trading activities		
– from blended coal	(1.2%)	6.5%
– from coarse iron powder	0.1%	0.1%
– from semi-coke	2.6%	–
	<hr/>	<hr/>
Gross profit margin of provision of processing services		
– from processing of iron and other mineral ores	28.3%	9.6%
	<hr/>	<hr/>
Gross profit margin of sales of iron concentrates produced by the Group	<hr/> – <hr/>	<hr/> – <hr/>
Overall gross profit margin	4.1%	5.6%
	<hr/> <hr/>	<hr/> <hr/>

Gross profit decreased by approximately RMB12.6 million from approximately RMB15.7 million for the year ended 31 December 2024 to approximately RMB3.1 million for the year ended 31 December 2025. The major reason for the decrease is due to the decrease in both volume of trading activities and scale of processing services.

Overall gross profit margin decreased from approximately 5.6% for the year ended 31 December 2024 to approximately 4.1% for the year ended 31 December 2025. The decrease in gross profit margin is mainly due to processing service customers reducing the volume orders placed with the Group as a result of stagnant domestic and global economic conditions.

Other net gain

The Group's other net gain was approximately RMB27.4 million for the year ended 31 December 2025 as compared to RMB123.4 million for the year ended 31 December 2024, which included a gain on disposal of approximately RMB115.8 million attributable to the Disposal (as defined above).

Finance costs, net

Net finance costs mainly represented discounting effect on amounts payable for mining rights, as well as interest expense on bank loans of the Group, offset by interest income on bank deposits. Interest expenses decreased from approximately RMB8.8 million for the year ended 31 December 2024 to approximately RMB4.1 million for the year ended 31 December 2025, mainly due to the discounting effect of approximately RMB4.1 million on amounts payable for mining rights.

Total comprehensive loss

The Group recorded total comprehensive loss of approximately RMB83.8 million for the year ended 31 December 2025, as opposed to total comprehensive income of approximately RMB54.0 million for the year ended 31 December 2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the total amount of the borrowings (including borrowings, amounts due to a related company, a former controlling shareholder, and a director) of the Group was approximately RMB507.3 million (as at 31 December 2024: approximately RMB267.1 million). The Group's cash and bank balances amounted to approximately RMB240.2 million as at 31 December 2025 (as at 31 December 2024: approximately RMB80.0 million).

CAPITAL STRUCTURE

The Company's issued share capital as at 31 December 2025 is HK\$14,011,461.12 divided into 350,286,528 shares with par value of HK\$0.04 each.

The Group adopts a prudent treasury policy, and its gearing ratio (calculated as total borrowings (including amounts due to a related company, a former controlling shareholder, and a director, and borrowings) divided by the aggregate amount of total equity and total borrowings) as at 31 December 2025 was approximately 52.3% (as at 31 December 2024: approximately 32.9%). The increase in gearing ratio is mainly attributable to the advances from a related company and a former controlling shareholder in 2025. The current ratio (calculated as current assets divided by current liabilities) as at 31 December 2025 was approximately 2.12 times (as at 31 December 2024: approximately 1.07 times). The improvement was primarily due to a substantial reduction in current liabilities. This reduction resulted from (i) the reclassification of the amount due to a former controlling shareholder from current to non-current liabilities and (ii) a decrease in accruals and other payables following the reversal of over-provision for certain long-outstanding expenses attributable to the Yangzhuang iron mine. The reversal arose after the new mining certificate was formally issued to the Purchaser under the Disposal in 2025 and, based on legal advice obtained, the Group assessed that the probability of any claim for these expenses had become remote.

CHANGE OF CONTROLLING SHAREHOLDER

Prominence Investment Holding Company Limited ("**Prominence Investment**") and the Company jointly announced on 4 November 2025 that on 15 October 2025, Prominence Investment, Mr. Ng Hoi Kam ("**Mr. Ng**") (an executive Director since 8 January 2026), Mr. Li Yunde (former chairman of the Board, executive Director and controlling Shareholder) and Hongfa Holdings Limited ("**Hongfa**") entered into a sale and purchase agreement ("**SPA**") pursuant to which Prominence Investment and Mr. Ng agreed to acquire, and Mr. Li Yunde and Hongfa agreed to sell, an aggregate of 194,959,831 Shares (representing approximately 55.66% of the then-issued share capital of the Company). Completion of the SPA took place on 15 October 2025, upon which Mr. Li and Hongfa ceased to be controlling Shareholders, and Prominence Investment became the controlling Shareholder.

Pursuant to Rule 26.1 of the Takeovers Code, upon completion of the SPA, Prominence Investment, its ultimate beneficial owners and the parties acting in concert with it (including Mr. Ng) made a mandatory unconditional general offer (“**Offer**”) in cash for all the issued Shares (other than those already owned or agreed to be acquired by Prominence Investment, its ultimate beneficial owners and the parties acting in concert with it (including Mr. Ng) (“**Offer Shares**”)).

Immediately before the commencement of the Offer period, Prominence Investment, its ultimate beneficial owners and the parties acting in concert with it (including Mr. Ng) were interested in an aggregate of 194,959,831 Shares, representing approximately 55.66% of the then- issued share capital of the Company. Taking into account the valid acceptances in respect of 237,768 Offer Shares under the Offer, immediately after the close of the Offer on 8 January 2026, Prominence Investment, its ultimate beneficial owners and the parties acting in concert with it (including Mr. Ng) became interested in a total of 195,197,599 Shares, representing approximately 55.73% of the entire issued share capital of the Company as at the close of the Offer.

SIGNIFICANT INVESTMENTS

As at 31 December 2025, the Group did not have any significant investment held.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had 146 employees (31 December 2024: 119 employees), most of whom were stationed in the PRC. The employee benefit expense (including Directors’ emoluments) amounted to approximately RMB18.9 million for the year ended 31 December 2025 (31 December 2024: approximately RMB17.1 million). The Group entered into employment contracts with all its employees. Apart from salary remuneration, employees are entitled to retirement benefits under a state-managed retirement scheme operated by the PRC government which covers the Group’s eligible employees in the PRC and a mandatory provident fund scheme for the employees in Hong Kong. The Company had also adopted a restricted share award scheme.

CHARGE OVER THE GROUP'S ASSETS

Except for a fixed deposit of RMB2,500,000 pledged to a bank for issuing guarantee of RMB1,500,000 in favour of a contractor of the Group as at 31 December 2025, there was no charge over the assets of the Group as at 31 December 2025 and 2024.

FOREIGN CURRENCY EXPOSURE

The Group mainly earns revenues and incurs costs in Renminbi and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

Impairment losses on property, plant and equipment, right-of-use assets and intangible assets

During the year ended 31 December 2025, the Company recognised impairment loss on property, plant and equipment of approximately RMB35.4 million (2024: nil), impairment loss on right-of-use assets of approximately RMB9.8 million (2024: nil), and impairment loss on intangible assets of approximately RMB5.7 million (2024: nil). The recognition of such impairment losses was attributable to the decrease in the recoverable amount of the property, plant and equipment, intangible assets and right-of-use assets related to the Zhuge Shangyu ilmenite ore mine (collectively referred to as “**Zhuge Shangyu Related Assets**”).

For the purpose of the impairment assessments and the determination of the recoverable amounts of the Zhuge Shangyu Related Assets as at 31 December 2025, the management of the Group estimated the recoverable amounts of such assets, with the support of valuations (the “**Valuation**”) performed by an independent valuer engaged by the Company. The recoverable amount of the Zhuge Shangyu Related Assets was determined based on the fair value less costs of disposal (“**FVLCD**”).

The valuer applied the discounted cash flow method in the Valuation, and considered such valuation method was appropriate due to the close relationship between the value of the Zhuge Shangyu Related Assets and its ability to generate future cash flow. Such valuation method had been consistently applied in 2025 as compared to 2024. The calculation used cash flow projection based on financial budgets approved by management covering the estimated remaining useful life of the mine, which reflected cash flow from the sales of iron and titanium concentrates from the production of Zhuge Shangyu ilmenite ore mine. Set forth are the key inputs to the Valuation: (i) cashflow projection based on financial budgets approved by management covering the estimated remaining useful life of the mine, which reflected cash flow from the sales of iron and titanium concentrates from the production of Zhuge Shangyu ilmenite ore mine, less estimated costs, (ii) a pre-tax discount rate of 17.5%, and (iii) a weighted average cost of capital (“WACC”) discount rate of 14.5%. Other major assumptions included the mine construction plan, the mining right situation and that there were no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result.

As the recoverable amount of the Zhuge Shangyu Related Assets as determined by the valuer as at 31 December 2025 was lower than their carrying amounts, an impairment loss on non-financial assets amounting to approximately RMB50.9 million (2024: Nil) was recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 against the respective assets on a pro-rata basis with reference to their carrying values. For further details, please refer to note 4 to the financial statements.

As compared with the valuation conducted on the Zhuge Shangyu Related Assets as at 31 December 2024, having regard to the intensified international geo-political conflicts and unfavourable changes in the business environment conditions during the year ended 31 December 2025, the Group’s business plan (based on which the future cashflow projections are derived) have been formulated to cope with the increased business risks, and for the impairment testing, a higher post-tax WACC discount rate of 14.5% (2024: 11.5%) and pre-tax discount rate of 17.5% (2024:16.6%) had been adopted in the Valuation.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Group entered into the following significant non-adjusting events:

(1) **Subscription (“Subscription”) for placement shares in Horizon Minerals Limited (“HRZ”)**

On 18 February 2026, the Company entered into a placement letter (“**Placement Letter**”) pursuant to which it agreed to subscribe for, and HRZ agreed to allot and issue, 36,574,077 new ordinary shares in HRZ at A\$1.08 per share for an aggregate consideration of approximately A\$39.5 million (equivalent to approximately RMB190.0 million), using an exchange rate of A\$1: RMB4.81.

The Subscription comprises two tranches:

- Tranche 1 (unconditional): 11,486,942 shares (consideration of which is approximately A\$12.41 million), with settlement on 24 February 2026 and allotment on 25 February 2026. Upon completion, the Group will hold approximately 4.48% of the enlarged issued share capital of HRZ.
- Tranche 2 (conditional on HRZ shareholder approval): 25,087,135 shares (consideration of which is approximately A\$27.1 million), with expected settlement on 13 April 2026 and allotment on 14 April 2026. Upon completion of both tranches, the Group will hold in aggregate approximately 9.95% of the enlarged issued share capital of HRZ.

The consideration will be funded partly by an unsecured, interest-free loan with no fixed repayment term from a controlling shareholder and partly by the net proceeds of the proposed rights issue described in (2) below. The Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Foreign Investment Review Board of Australia (FIRB) approval is required for Tranche 2.

The investment via the Subscription forms part of the Group's strategy to diversify its mining and mineral trading business into gold resources and is expected to be accounted for as an investment in equity instruments. As the Placement Letter was entered into after 31 December 2025, the transaction has no financial effect on the consolidated financial statements for the year then ended 31 December 2025. Full details of the transaction are set out in the Company's announcement dated 23 February 2026.

(2) **Rights issue**

On 6 March 2026, the Company issued a prospectus in relation to a proposed renounceable rights issue ("**Rights Issue**") on the basis of one (1) new Share ("**Rights Share**") for every two (2) existing Shares held on 5 March 2026 (the "**Record Date**") at a subscription price of HK\$2.88 per Rights Share. A maximum of 175,143,264 Rights Shares may be issued, representing 50% of the existing issued share capital of the Company, to raise gross proceeds of up to approximately HK\$504.4 million (net proceeds approximately HK\$503.4 million).

The Rights Issue is not underwritten. However, the Company has received irrevocable undertakings from its controlling shareholder, Prominence Investment Holding Company Limited, and an executive Director, Mr. Ng Hoi Kam, to take up in full their respective entitlements under the Rights Issue, amounting in aggregate to 97,598,799 Rights Shares, representing approximately 55.7% of the total Rights Shares available.

The net proceeds from the Rights Issue are intended to be mainly used for pursuing suitable acquisition and/or investment opportunities and for supplementing the working capital of the Group. As at the date of approval of results announcement, the Rights Issue has been completed. The Rights Issue and the related increase in share capital will be accounted for in the financial year ending 31 December 2026.

These events occurred after the reporting date and do not require adjustment to the consolidated financial statements for the year ended 31 December 2025. Full details of the rights issue are set out in the prospectus dated 6 March 2026.

(3) Conditional acquisition of additional shares in HRZ

On 30 March 2026, the Company entered into a sale and purchase agreement with independent third-party vendors pursuant to which the Company conditionally agreed to acquire an aggregate of 37,700,000 ordinary shares in HRZ at an aggregate consideration of approximately A\$40.7 million (equivalent to approximately RMB195.8 million). The consideration will be satisfied by the allotment and issue of 46,780,085 new Shares at an issue price of HK\$4.70 per share under the general mandate.

Completion of the acquisition is subject to certain conditions precedent, including, among other things, the granting of listing approval for the consideration shares by The Stock Exchange of Hong Kong Limited, and approval from the Foreign Investment Review Board of Australia or written statement of no objection from the Australian Treasurer.

Upon completion of the acquisition, and assuming completion of the second tranche of the Subscription for HRZ shares as disclosed above, the Group is expected to hold an aggregate of 74,274,077 HRZ shares, representing approximately 19.97% of the enlarged issued share capital of HRZ. If the second tranche of the Subscription does not complete, the Group is expected to hold 49,186,942 HRZ shares, representing approximately 18.87% of the issued share capital of HRZ.

Further details are set out in the Company's announcement dated 30 March 2026.

(4) Formation of a partnership and proposed investment in mining business

On 20 March 2026, Shenzhen Xinlong Mining Development Co., Ltd.* (深圳鑫隆礦業發展有限公司) (“**Shenzhen Xinlong**”), an indirect wholly-owned subsidiary of the Company, as limited partner, Jiangxi Xintongying Enterprise Management Co., Ltd.* (江西新同盈企業管理有限公司) (“**Jiangxi Xintongying**”), as limited partner, and Beijing Shiji Lande Enterprise Management Co., Ltd.* (北京世紀蘭德企業管理有限公司) (“**Beijing Shiji**”), as general partner, entered into a partnership agreement to establish Jiangxi Lianhe Enterprise Management Centre (Limited Partnership)* (江西聯合企業管理中心(有限合夥)) (the “**Partnership**”) pursuant to which they subscribed for registered capital of RMB26 million, RMB36 million and RMB1 million respectively.

On 26 March 2026, the parties entered into a supplemental partnership agreement to contribute an additional RMB158 million in aggregate, increasing the Partnership’s total registered capital to RMB221 million. Shenzhen Xinlong’s total commitment is RMB108 million, representing approximately 48.87% interest in the Partnership, payable on or before 31 December 2026. Shenzhen Xinlong and Jiangxi Xintongying have each undertaken to provide further capital of up to RMB149 million as needed for business development of the Partnership’s invested entities and/or for pursuing other target acquisition or investment opportunities. The capital contribution payable by the Group will be funded by the Rights Issue proceeds as described in (2) above.

The Partnership entered into an investment intention agreement with Qianshan County Lanxiang Mining Co., Ltd.* (鉛山縣藍翔礦業有限公司) to acquire 20% equity interests in Guixi Baojia Mining Co., Ltd.* (貴溪鮑家礦業有限公司) for RMB221 million. Baojia Mining is principally engaged in mining and processing silver, lead and zinc in Guixi City, Jiangxi Province.

As the Partnership was formed after 31 December 2025 and no capital had been paid up at the date of this results announcement, the transaction has no financial effect on the 2025 consolidated financial statements. The transactions constitute a discloseable transaction under Chapter 14 of the Listing Rules, with full details in the Company’s announcement dated 30 March 2026.

2026 DEVELOPMENT AND FUTURE PLANS

2026 WORK PLAN

In 2026, the Group will conduct business in a planned manner in accordance with changes in the market situation, and continue to strengthen the construction of its traditional principal business of protective mining, production, sales and services of iron and titanium ores. In terms of the expansion of the entire titanium industrial chain, the Group will continue to invest in scientific research. In addition, the Company will continuously diversify its existing mining and mineral trading business to include other mineral resources to mitigate the risks associated with dependence on a limited commodity range and hedge its exposure to commodity market fluctuations.

I. Mining Operations of Zhuge Shangyu Mine

The mining permit and environmental impact assessment procedures for the Zhuge Shangyu Mine have been completed, with mining conditions being favorable. The Group expects to commence the mining of its own ilmenite mine and the commissioning of various processes of the ilmenite production line in 2026. If progress goes smoothly, this will lay the foundation for the output of iron concentrate and titanium concentrate in 2026.

II. Diversified Development of Mining Business

In addition to consolidating the existing ilmenite business, the Group will diversify its existing mining and mineral trading business to include other mineral resources, such as gold and silver, through the acquisition of and/or investment in strategic interests in target companies engaged in or in possession of, among others, quality mines and natural resource assets, to build an extensive portfolio of long-term cash generating investments. As critical assets with both commodity and financial attributes, the demand for gold and silver mineral resources has surged, representing immense market potential and broad development prospects. The Group, relying on the investment in HRZ and Guixi Baojia Mining Co., Ltd.*, in which it participates through the establishment of a partnership as an investment platform, has steadily expanded into the field of precious metal mineral resources such as gold and silver. In the future, the Group will continue to uphold proactive and prudent investment principles. By establishing a well-developed target selection and risk assessment mechanism, the Group will continuously identify and capture target companies both domestically and overseas that possess high-quality precious metal resource reserves, and good profitability prospects. The Group will also carry out potential acquisitions and/or strategic investments at appropriate times to mitigate the risks associated with dependence on a limited commodity range and hedge its exposure to commodity market fluctuations.

III. Financing Arrangements and Capital Planning

In order to seek more suitable acquisition and/or investment opportunities and to supplement the working capital of the Group, the Group continuously explores various financing options. On 6 March 2026, the Company initiated a rights issue, which was completed on 30 March 2026, raising gross proceeds of approximately HK\$504.4 million (with net proceeds of approximately HK\$503.4 million). The net proceeds from the rights issue are mainly intended to be used for seeking suitable acquisition and/or investment opportunities, as well as supplementing the working capital of the Group. In addition, the Group will also consider other financing options to maintain sufficient cash flow and remain ready to invest in or acquire suitable targets at any time.

IV. Trading of Coal and Other Mineral Products

The Group will capture suitable business opportunities and take advantage of the logistics advantages of Xinjiang and the favourable geographical conditions of Yumen Office in Gansu Province, and make full use of the existing customer relationship resources to increase the trade volume of coal and coal products to maximize sales revenue and profit. Building on the consolidation of its existing mineral trading business, the Group will further expand the breadth and depth of its mineral trading operations. On one hand, the Group is actively expanding into more high-potential trading categories to enrich its trading product matrix, covering various non-ferrous metals, rare metals, and non-metallic minerals, so as to enhance the flexibility and profitability of its trading business. On the other hand, the Group is actively seizing development opportunities in the global mineral resources market, exploring diversified trading opportunities both domestically and overseas, expanding its offshore trading channels, deepening cooperation with international high-quality suppliers and purchasers, and building cross-border trading cooperation platforms. This will drive the transformation of its mineral trading business towards large-scale, diversified, and internationalized operations, achieving dual-wheel driving for both resource development and trading businesses, and creating stable and sustainable operating income for the Group.

V. Strengthening internal control management

Efforts will be made to strengthen internal control management and make market-based comprehensive assessment of related transactions. The Group will improve integrated and standardized management level in a way that lays the management foundation for performance improvement.

VI. Layout of Low-carbon, Environmental Protection and New Energy

The Group will continue to focus on the inspection and selection of sustainable growth projects such as low-carbon, environmental protection and new energy. Under appropriate conditions, the Group will increase its investment efforts and adjust its industrial structure to strive for the interests of investors.

VII. Focus on New Technologies and Investor Communication

While developing its core businesses, the Group will keep timely track of new technologies, new materials, and new business opportunities, actively maintain communication with investors, and respond rapidly to market changes.

After years of development and under the current support of multiple favourable factors such as resource, market and policy advantages, the Group has provided a solid latecomer advantage in establishing an entire titanium industry chain. The Group will seize the window period of adjustment of the global industrial chain layout, leverage the country's supply-side structural reform and the need for industrial structure reorganization, and accelerate the development of the entire titanium industry chain. Meanwhile, by promoting the industrial layout in the field of precious metal mineral resources such as gold and silver, it will help the Group achieve a strategic upgrade through the synergistic development of multiple mineral types, comprehensively enhancing its overall competitiveness and sustainable development capabilities in the mineral resources sector.

In 2026, amidst opportunities and challenges, the Group will seize the historical opportunities bestowed by the era with determination and composure, and move forward courageously in the face of various complex challenges.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the Shareholders to attend and vote at the forthcoming annual general meeting of the Company (“**2026 AGM**”) to be held on Tuesday, 23 June 2026, the register of members of the Company will be closed from Wednesday, 17 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2026 AGM, all transfers of Shares 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 for registration not later than 4:30 p.m. on Tuesday, 16 June 2026. The record date for determining Shareholders’ entitlement to attend and vote at the 2026 AGM shall be Tuesday, 23 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including the sale of treasury Shares) during the year ended 31 December 2025.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors’ securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. In the opinion of the Directors, the Company was in compliance with all the relevant code provisions set out in the CG Code throughout the year ended 31 December 2025.

The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports of the Company for financial years commencing on or after 1 July 2025. For this annual results announcement, the Company shall refer to the then effective CG Code.

SCOPE OF WORK OF AUDITOR

The financial figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants. Consequently, no assurance has been expressed by the auditor on this announcement.

AUDIT COMMITTEE

The Company established the audit committee of the Company (the “**Audit Committee**”) on 9 April 2012 with written terms of reference in compliance with the CG Code, which currently comprises of three independent non-executive Directors, namely Mr. Wong Chi Wah (as chairman), Mr. Xie Jie and Mr. Yuan Yuan. The main objectives of the Audit Committee are to be responsible for the relationship with the Company’s auditor, review of the Company’s financial information, monitor the Company’s financial reporting system and to review the risk management and internal control systems. The Audit Committee had reviewed the audited annual results for the year ended 31 December 2025 before such documents were tabled at a meeting of the Board held on 31 March 2026 for the Board’s review and approval.

By order of the Board

Add New Energy Investment Holdings Group Limited

Wei Jiaming

Chairperson of the Board and Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the executive Directors are Ms. Wei Jiaming (Chairperson of the Board), Mr. Geng Guohua (Chief Executive Officer), Mr. Ng Hoi Kam, Mr. Liao Daxue and Mr. Chen Hongzheng; the non-executive Directors are Mr. He Guangping (Vice-chairman of the Board), Mr. Xia Chun, Mr. Wang Dong, Mr. Zhao Ju and Ms. Cheng Yan; and the independent non-executive Directors are Mr. Xie Jie, Mr. Wong Chi Wah, Mr. Liu Haitian, Mr. Liu Huangsong and Mr. Yuan Yuan.