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Ev Dynamics (Holdings) Limited
科軒動力(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 476)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the "**Board**") of Ev Dynamics (Holdings) Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2025.

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

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Revenue	*5(a)*	**3,012**	42,239
Cost of sales		**(4,982)**	(39,538)
Gross (loss)/profit		**(1,970)**	2,701
Other income	*5(b)*	**1,465**	2,026
Selling and distribution expenses		**(431)**	(7,268)
Administrative expenses		**(39,889)**	(60,454)
Impairment of investment in an associate		**–**	(2,451)
Impairment of mining assets		**(284,752)**	(170,631)
Impairment of trade receivables, net		**(7,584)**	(5,173)
Reversal of impairment/(impairment) of contract assets		**516**	(126)
Impairment of amount due from an associate		**–**	(6,097)
Write-off of other receivables and prepayments, net		**(16,360)**	(4,370)
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")		**(10,295)**	(36,783)
Realised loss on disposal of financial assets at FVTPL		**(11,600)**	(35,277)
Loss on derecognition of an other receivable		**–**	(1,858)
Loss on disposal of subsidiaries		**(2,674)**	–
Loss on dissolution of a subsidiary		**(58)**	–
Share of results of an associate		**–**	(412)
Finance costs	*6*	**(397)**	(778)

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Loss before income tax	*7*	**(374,029)**	(326,951)
Income tax credit	*8*	**121**	122
Loss for the year		**(373,908)**	(326,829)
Other comprehensive income for the year			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from:			
− translation of foreign operations		**(9,966)**	(75,188)
− reclassification relating to disposal and dissolution of subsidiaries		**1,504**	−
Other comprehensive income for the year		**(8,462)**	(75,188)
Total comprehensive income for the year		**(382,370)**	(402,017)
Loss attributable to:			
− Owners of the Company		**(372,028)**	(319,337)
− Non-controlling interests		**(1,880)**	(7,492)
		(373,908)	(326,829)
Total comprehensive income attributable to:			
− Owners of the Company		**(380,518)**	(397,328)
− Non-controlling interests		**(1,852)**	(4,689)
		(382,370)	(402,017)
			(Restated)
Loss per share			
− Basic and diluted *(HK$)*	*10*	**(1.93)**	(1.72)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**27,175**	30,402
Construction in progress		**28,149**	26,703
Right-of-use assets		**13,654**	18,281
Mining assets	*11*	**845,000**	1,139,000
Investment in an associate		**–**	–
Other intangible assets	*12*	**1,778**	3,639
Amount due from an associate		**–**	–
Prepayments		**11,343**	11,464
Total non-current assets		**927,099**	1,229,489
Current assets			
Inventories		**13,708**	16,097
Trade receivables	*13*	**5,814**	13,447
Contract assets		**197**	12,723
Other receivables, deposits and prepayments		**21,765**	38,503
Financial assets at FVTPL		**–**	27,008
Cash and bank balances		**8,404**	13,901
Total current assets		**49,888**	121,679
Total assets		**976,987**	1,351,168

	Notes	2025 *HK$'000*	2024 *HK$'000*
Current liabilities			
Accounts payable	*14*	**5,672**	7,208
Other payables and accruals		**72,877**	66,736
Contract liabilities		**27,841**	27,729
Loans from shareholders		**11,577**	12,277
Bank and other borrowings		**–**	9,892
Lease liabilities		**2,281**	4,648
Total current liabilities		**120,248**	128,490
Net current liabilities		**(70,360)**	(6,811)
Total assets less current liabilities		**856,739**	1,222,678
Non-current liabilities			
Deferred tax liabilities		**4,002**	4,166
Lease liabilities		**–**	2,213
Convertible notes		**4,810**	–
Total non-current liabilities		**8,812**	6,379
Total liabilities		**129,060**	134,869
NET ASSETS		**847,927**	1,216,299
Equity			
Share capital	*15*	**9,998**	92,796
Reserves		**862,620**	1,153,417
Equity attributable to owners of the Company		**872,618**	1,246,213
Non-controlling interests		**(24,691)**	(29,914)
TOTAL EQUITY		**847,927**	1,216,299

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its head office and principal place of business are located at 46th Floor, United Asia Finance Centre, 333 Lockhart Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in development and sales of electric vehicles, mining and metal and minerals trading.

2. CHANGES IN ACCOUNTING POLICIES

New standards, interpretation and amendments − effective 1 April 2024

The Hong Kong Institute of Certified Public Accountants ("**HKICPA**") has issued a number of new and amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

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

None of these amendments to HKFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period.

3. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement and going concern assumption

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

The Group incurred a loss of HK$373,908,000 for the year ended 31 March 2025. As of that date, the Group had net current liabilities of HK$70,360,000. Subsequent to the end of the reporting period, pursuant to the court judgement dated 16 May 2025, the Group is required to refund the consideration received of RMB34 million in relation to the proposed disposal of the entire equity interests in a group of subsidiaries and pay the relevant liquidation damages of RMB5.5 million to the purchaser, totalling approximately HK$40 million.

When assessing the appropriateness of the use of the going concern basis for the preparation of the consolidated financial statements, the directors of the Company has prepared a cash flow forecast that covers sixteen months from the end of the reporting period for the purpose of assessing the Group's ability to continue as a going concern. In preparing the cash flow forecast, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing and also have taken account of the following plans and measures:

(i) net proceeds of not less than HK$80 million from placement of new shares which is expected to be completed in August 2025; and

(ii) the shareholders of the Company will not demand repayment of the loans owed by the Group to them with aggregate carrying value of approximately HK$12 million as at 31 March 2025 earlier than 31 December 2026.

Based on the above plans and measures, the directors of the Company are of the view that the Group will have adequate resources to continue in operational existence and meet its financial obligations as and when they fall due over the period of the cash flow forecast. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, the validity of the going concern assumption depends of the successful outcome of the Group's plans and measures, including:

- the successful obtaining additional new sources of funding to support its operations, and

- the shareholders' ability to provide financial support to the Group in terms of not demanding repayment of the loans owed by the Group.

These indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and therefore that the Group may not be able to realise its assets and discharges its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned above, it might not be able to continue to operate as a going concern, and adjustments would have to be made in the consolidated financial statements to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of such adjustments has not yet been reflected in the consolidated financial statements.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has the following three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies.

- Development and sales of electric vehicles;

- Mining; and

- Metal and minerals trading.

Inter-segment transactions are priced with reference to prices charged to external parties for similar orders. Corporate income and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results that are used by the chief operating decision-maker for assessment of segment performance.

(a) Reportable segments

	Development and sales of electric vehicles		Mining		Metal and minerals trading		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**3,012**	42,239	**–**	–	**–**	–	**3,012**	42,239
Reportable segment loss	**(33,754)**	(47,149)	**(285,298)**	(185,133)	**(25)**	(79)	**(319,077)**	(232,361)
Interest income	**412**	549	**–**	–	**–**	–	**412**	549
Unallocated interest income							**4**	5
Total interest income							**416**	554
Loss on disposal of subsidiaries	**(2,674)**	–	**–**	–	**–**	–	**(2,674)**	–
Loss on dissolution of a subsidiary	**(58)**	–	**–**	–	**–**	–	**(58)**	–
Depreciation	**(3,005)**	(6,078)	**(53)**	(8,494)	**–**	–	**(3,058)**	(14,572)
Unallocated depreciation expenses							**(1,725)**	(2,489)
Total depreciation							**(4,783)**	(17,061)
Amortisation	**(1,838)**	(1,857)	**–**	–	**–**	–	**(1,838)**	(1,857)
Impairment of trade receivables, net	**(7,584)**	(5,173)	**–**	–	**–**	–	**(7,584)**	(5,173)
Reversal of impairment/(impairment) of contract assets	**516**	(126)	**–**	–	**–**	–	**516**	(126)
Write-off of other receivables and prepayments, net	**(16,360)**	(4,370)	**–**	–	**–**	–	**(16,360)**	(4,370)
Write-down of inventories	**(2,055)**	(6,879)	**–**	–	**–**	–	**(2,055)**	(6,879)
Impairment of mining assets	**–**	–	**(284,752)**	(170,631)	**–**	–	**(284,752)**	(170,631)
Impairment of investment in an associate	**–**	(2,451)	**–**	–	**–**	–	**–**	(2,451)
Impairment of amount due from an associate	**–**	(6,097)	**–**	–	**–**	–	**–**	(6,097)
Share of result of an associate	**–**	(412)	**–**	–	**–**	–	**–**	(412)
Reportable segment assets	**101,378**	149,413	**870,273**	1,164,780	**7**	3	**971,658**	1,314,196
Additions to non-current assets	**14**	3,240	**1,730**	–	**–**	–	**1,744**	3,240
Unallocated additions to non-current assets							**–**	4,761
Total additions to non-current assets							**1,744**	8,001
Reportable segment liabilities	**(100,207)**	(107,309)	**(6,613)**	(6,740)	**(204)**	(204)	**(107,024)**	(114,253)

(b) Reconciliation of segment revenue, profit or loss, assets and liabilities

	2025	2024
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue and consolidated revenue	**3,012**	42,239
Loss before income tax		
Reportable segment loss	**(319,077)**	(232,361)
Unallocated other income	**409**	263
Change in fair value and realised loss on disposal of financial assets at FVTPL	**(21,895)**	(72,060)
Loss on derecognition of an other receivable	**–**	(1,858)
Unallocated other corporate expenses	**(33,069)**	(20,157)
Finance costs	**(397)**	(778)
Consolidated loss before income tax	**(374,029)**	(326,951)
Assets		
Reportable segment assets	**971,658**	1,314,196
Unallocated corporate assets *	**5,329**	36,972
Consolidated total assets	**976,987**	1,351,168
Liabilities		
Reportable segment liabilities	**107,024**	114,253
Unallocated corporate liabilities	**22,036**	20,616
Consolidated total liabilities	**129,060**	134,869

* Unallocated corporate assets as at 31 March 2025 mainly represent cash and bank balances of HK$202,000 (2024: HK$1,816,000), financial assets at FVTPL of HK$nil (2024: HK$27,008,000) held by the Company and unallocated other receivables and prepayments of HK$2,309,000 (2024: HK$3,601,000).

(c) Geographic information

The following is an analysis of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("**Specified non-current assets**") by the geographical areas in which the customers and assets respectively are located:

	Revenue from external customers		Specified non-current assets	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC, including Hong Kong	**2,618**	–	**927,099**	1,229,489
Philippines	**276**	–	**–**	–
Thailand	**118**	–	**–**	–
Mexico	**–**	42,239	**–**	–
Total	**3,012**	42,239	**927,099**	1,229,489

(d) Information about major customers

Revenue from a customer contributing over 10% of the total revenue of the Group is as follows:

Development and sales of electric vehicles	**2025** ***HK$'000***	2024 *HK$'000*
Customer A	**N/A***	42,239
Customer B	**2,618**	N/A*

* Revenue from the customers did not contribute over 10% of the total revenue of the Group in the respective year.

5. REVENUE AND OTHER INCOME

(a) Revenue from contracts with customers within the scope of HKFRS 15

The Group derives revenue from the transfer of goods at a point in time in the following major product line:

	2025 ***HK$'000***	2024 *HK$'000*
Sale of electric vehicles	**3,012**	42,239

Note: Disaggregation of revenue from contracts with customers by geographic markets is disclosed in Note 4(c).

(b) Other income

	2025	2024
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**93**	–
Gain on lease termination	**68**	–
Government grants *(Note)*	**32**	275
Exchange gain, net	**346**	–
Sundry income	**510**	1,197
Interest income	**416**	554
	1,465	2,026

Note:

Government grants were received from local government authority and the entitlements of which were under the discretion of the relevant authorities. There are no unfulfilled conditions or other contingencies attaching to the government grants that have been recognised.

6. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on bank borrowing	**29**	267
Interest on convertible notes	**134**	–
Interest on other borrowing	**123**	307
Interest on lease liabilities	**111**	204
	397	778

7. LOSS BEFORE INCOME TAX

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

	2025	2024
	HK$'000	*HK$'000*
Auditor's remuneration	**920**	1,756
Amortisation of other intangible assets *(Note 12)*	**1,838**	1,857
Cost of inventories recognised as expenses *(Note)*	**4,982**	39,538
Depreciation of property, plant and equipment	**2,786**	5,071
Depreciation of right-of-use assets	**1,997**	11,990
Exchange (gain)/loss, net	**(346)**	5,659
Loss on write-off of property, plant and equipment	**18**	8
Impairment of investment in an associate	**–**	2,451
Impairment of trade receivables, net	**7,584**	5,173
(Reversal of impairment)/impairment of contract assets	**(516)**	126
Impairment of mining assets *(Note 11)*	**284,752**	170,631
Write-off of other receivables and prepayments, net	**16,360**	4,370
Loss on derecognition of an other receivable	**–**	1,858
Impairment of amount due from an associate	**–**	6,097
Loss on disposal of subsidiaries	**2,674**	–
Loss on dissolution of a subsidiary	**58**	–
Short-term and low-value lease expense	**634**	763
Directors' remuneration	**6,013**	6,474
Employee costs (excluding directors' remuneration)		
– Salaries and allowances	**7,777**	12,000
– Other benefits	**186**	289
– Pension contributions	**468**	583
	8,431	12,872

Note: Cost of inventories recognised as expenses for the year ended 31 March 2025 includes HK$595,000 (2024: HK$2,233,000) relating to depreciation of property, plant and equipment and HK$2,055,000 (2024: HK$6,879,000) relating to write-down of inventories.

8. INCOME TAX

The amount of income tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2025	2024
	HK$'000	*HK$'000*
Current tax		
− Provision for PRC enterprise income tax for the year	**–**	–
Deferred tax		
− Origination and reversal of temporary differences	**(121)**	(122)
Income tax credit	**(121)**	(122)

9. DIVIDEND

No dividend has been proposed or paid by the Company in respect of the years ended 31 March 2025 and 2024.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025	2024
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company	**(372,028)**	(319,337)

	2025	2024
	Number of shares	*Number of shares* (Restated)
Weighted average number of ordinary shares in issue	**192,648,401**	185,593,579

The weighted average number of ordinary shares in issue for the years ended 31 March 2025 and 2024 have been adjusted to reflect the share consolidation (Note 15(iv)) which took effect on 13 November 2024. Accordingly, the basic and diluted loss per share for the year ended 31 March 2024 are restated.

Basic and diluted loss per share of HK$1.93 per share (2024: HK$1.72 per share (restated)) is based on the loss for the year attributable to owners of the Company of HK$372,028,000 (2024: HK$319,337,000) and the weighted average number of ordinary shares in issue detailed above. The basic and diluted loss per share for both years presented are the same as the potential ordinary shares issuable under the convertible notes, the share options and Share Award Plan are anti-dilutive.

11. MINING ASSETS

	HK$'000
Cost:	
At 1 April 2023	2,571,636
Exchange realignment	(133,751)
At 31 March 2024 and 1 April 2025	2,437,885
Exchange realignment	(25,874)
At 31 March 2025	**2,412,011**
Accumulated impairment loss:	
At 1 April 2023	1,191,636
Impairment loss	170,631
Exchange realignment	(63,382)
At 31 March 2024 and 1 April 2024	1,298,885
Impairment loss	284,752
Exchange realignment	(16,626)
At 31 March 2025	**1,567,011**
Carrying amount:	
At 31 March 2025	**845,000**
At 31 March 2024	1,139,000

Mining assets have not been amortised since acquisition as the mine has not yet commenced operation since then.

In the opinion of management, the mining project is ongoing and is pending for the construction of a processing factory as planned upon adequate land being acquired. The Group acquired a land use right covering 63,118 square meters of land at a cost of RMB7.6 million in prior years (i.e. the Guangxi Land) and another RMB8.6 million has been paid for approximately 100,000 square meters of land for a factory site. However, the relevant land use right has not yet been issued up to the date of this announcement.

The local bureau had issued two notices for the revocation of the land use right of the Guangxi Land as the Guangxi Land remained idle since the end of 2018 and one of them was received by the Group on 18 September 2023. As at 31 March 2024, the land use right of the Guangxi Land was already revoked. Details are set out under the "Business Review". The Group is working closely with the local government on obtaining land use rights for the approximately 100,000 square meters of land. The mining operation will commence after obtaining the land use rights.

As at 31 March 2025 and 2024, the mining rights with a carrying amount of HK$845,000,000 (2024: HK$1,139,000,000) were frozen and sealed under a preservation order applied by a contractor ("**Guangxi Contractor**"). Details are set out under the "Business Review".

Impairment testing of mining assets

The directors determined the recoverable amount of the mining assets at its fair value less costs of disposal based on a valuation performed by an independent firm of professional valuers (the "**Valuers**") using the multi period excess earnings method.

The multi period excess earnings method is based on the projection of future cash flows of the mining business covering a sixteen-year period from 2026 to 2041 to reflect the length of time management is committed to exploit the economic benefits of the mining business of thenardite and the expected useful lives of the processing plant and machinery the Group has invested and will continue to invest. Cash flows covering the first six-year period from 2026 to 2031 are based on financial budgets approved by senior management. Cash flows beyond the six-year period are extrapolated to 2041 using an estimated weighted average income growth rate of 2.34% (2024: 2.54%), which does not exceed the geometric mean of fifteen-year average of China Producer Price Index-non ferrous Metals Mining and Dressing Year over Year. Management considers the six years period from 2026 to 2031 reflects the length of time to incur necessary capital expenditure to exploit the economic benefits of the mining business of thenardite. The projected future cash flows are discounted to its present value by the appropriate discount rate determined from market data.

Below are the key assumptions used for the multi period excess earnings method:

	2025	2024
Thenardite price per ton	**RMB681**	RMB752
Required rate of return for working capital	**3.68%**	3.68%
Required rate of return for fixed assets	**11.92%**	12.55%
Required rate of return for assembled workforce	**17.58%**	18.41%
Post-tax discount rate	**23.08%**	23.91%
Income growth rate within the projected period	**2.34%**	2.54%
Costs growth rate within the projected period	**1.21%**	1.38%

Management determined the thenardite price based on relevant data obtained from third party's quotation and market research report performed by third party organisation pertaining to the mining business in Guangxi. The income growth rate represents the expected inflation rate based on the China Producer Price Index for non-metal minerals from 2011 to 2025 and the costs growth rate represents the China Producer Price Index from 2002 to 2025. Management believes the Group can attain maximum production capacity based on planned resources within seven years of commercial production and sustain such capacity throughout the remaining projected period. The discount rate used reflects the specific risks associated with the mining business of thenardite.

The fair value of the mining assets was estimated using unobservable market data to derive the projected future cash flows of the businesses over its economic useful life and is classified within level 3 of the fair value hierarchy.

As at 31 March 2025, the recoverable amount of the mining assets was HK$845.0 million (2024: HK$1,139.0 million), which was lower than its carrying value of HK$1,129.8 million (2024: HK$1,309.6 million), and hence an impairment loss of HK$284,752,000 was recognised in the profit or loss (2024: HK$170,631,000).

12. OTHER INTANGIBLE ASSETS

	Technical know-how *HK$'000*	Industrial proprietary rights *HK$'000*	Total *HK$'000*
Cost:			
At 1 April 2023	34,671	21,653	56,324
Exchange realignment	(2,077)	(1,126)	(3,203)
At 31 March 2024 and 1 April 2024	32,594	20,527	53,121
Exchange realignment	(402)	(218)	(620)
At 31 March 2025	**32,192**	**20,309**	**52,501**
Accumulated amortisation and impairment loss:			
At 1 April 2023	34,671	15,871	50,542
Charge for the year	–	1,857	1,857
Exchange realignment	(2,077)	(840)	(2,917)
At 31 March 2024 and 1 April 2024	32,594	16,888	49,482
Charge for the year	–	1,838	1,838
Exchange realignment	(402)	(195)	(597)
At 31 March 2025	**32,192**	**18,531**	**50,723**
Carrying amount:			
At 31 March 2025	**–**	**1,778**	**1,778**
At 31 March 2024	–	3,639	3,639

Technical know-how on the use of aluminium body frame for electric bus and industrial proprietary rights

Technical know-how on the use of aluminium body frame for electric bus was acquired as part of the acquisition of Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. in the prior year and has an estimated useful life of 5 years, over which the asset is amortised.

The industrial proprietary rights are related to the exclusive rights in production of specific electric vehicles acquired during the years ended 31 March 2017 and 2016.

Both technical know-how on the use of aluminium body frame and industrial proprietary rights were allocated to the CGU of the development of electric vehicles ("**EV CGU**"). The directors determined the recoverable amount of EV CGU from its fair value less costs of disposal calculation based on a valuation performed by the Valuers.

Below are the key assumptions used for the fair value less costs of disposal calculation as at 31 March 2025:

	2025	2024
Adjusted unit price per square meter for land	**HK$307**	HK$320
Construction cost per square meter for buildings	**HK$1,814 to HK$2,907**	HK$1,879 to HK$3,004

The fair value less costs of disposal of EV CGU as at 31 March 2025 was estimated using unobservable market data to derive the fair value of major non-current assets composing EV CGU using replacement cost approach and direct comparison approach and is a level 3 fair value measurement.

As the recoverable amount of EV CGU exceeded the carrying amount of the EV CGU's non-current assets, which comprises property, plant and equipment of approximately HK$27,100,000 (2024: HK$30,326,000), right-of-use assets of approximately HK$13,654,000 (2024: HK$18,146,000), construction in progress of approximately HK$16,353,000 (2024: HK$16,515,000), other intangible assets of approximately HK$1,778,000 (2024: HK$3,639,000) and other non-current assets, the directors are of the opinion that there was no impairment on the assessed non-current assets as at 31 March 2025 (2024: HK$nil).

13. TRADE RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**34,519**	39,374
Less: Accumulated impairment losses	**(28,705)**	(25,927)
Trade receivables, net	**5,814**	13,447

The ageing analysis of trade receivables, net at the end of the reporting period, based on the invoice date, was as follows:

	2025	2024
	HK$'000	*HK$'000*
More than 1 year	**5,814**	13,447

The average credit period on sales of electric vehicles is 30-365 days from the invoice date, except for a customer with carrying amount of receivables amounted to HK$5,636,000 (2024: HK$11,249,000), which bear interest at 5% per annum and repayable by monthly instalments in 5 years from the date on which the related goods were delivered and accepted by the customer.

14. ACCOUNTS PAYABLE

The ageing analysis of accounts payable at the end of the reporting period, based on the invoice date, was as follows:

	2025	2024
	HK$'000	*HK$'000*
	65	–
31 – 90 days	**1**	1
91 – 180 days	**–**	10
181 – 365 days	**–**	1
More than 1 year	**5,606**	7,196
	5,672	7,208

The credit period from the Group's trade creditors ranged from 30 days to 180 days.

15. SHARE CAPITAL

	2025		2024	
	Number of shares	**HK$'000**	Number of shares	HK$'000
Ordinary shares of HK$0.05 (2024: HK$0.1) each				
Authorised:				
At beginning of the year	**5,000,000,000**	**500,000**	50,000,000,000	500,000
Capital Reorganisation *(Note (ii))*	**45,000,000,000**	**–**	–	–
2023 Share Consolidation *(Note (i))*	**–**	**–**	(45,000,000,000)	–
2024 Share Consolidation *(Note (iv))*	**(40,000,000,000)**	**–**	–	–
At end of the year	**10,000,000,000**	**500,000**	5,000,000,000	500,000
Issued and fully paid:				
At beginning of the year	**927,967,897**	**92,796**	9,279,678,975	92,796
Capital Reorganisation *(Note (ii))*	**–**	**(83,517)**	–	–
Issue of rights shares *(Note (iii))*	**25,577,651**	**256**	–	–
Issue of shares under placing *(Note (iii))*	**46,350,000**	**463**	–	–
2023 Share Consolidation *(Note (i))*	**–**	**–**	(8,351,711,078)	–
2024 Share Consolidation *(Note (iv))*	**(799,916,439)**	**–**	–	–
At end of the year	**199,979,109**	**9,998**	927,967,897	92,796

Notes:

(i) On 13 October 2023, the Company underwent a share consolidation for every ten (10) issued and unissued ordinary shares of the Company be consolidated into one (1) ordinary share of the Company whereby the par value of all the then issued and unissued consolidated shares increases from HK$0.01 to HK$0.1 each (the "**2023 Share Consolidation**"). Immediately after the 2023 Share Consolidation became effective, there were 927,967,897 shares in issue.

(ii) On 19 August 2024, the Company conducted a capital reorganisation (the "**Capital Reorganisation**") that was approved by the shareholders of the Company in the special general meeting held on 15 August 2024. Pursuant to the Capital Reorganisation, (i) the issued share capital of the Company is reduced from HK$0.1 to HK$0.01 per share; and (ii) each of the authorised but unissued existing share of par value of HK$0.1 each is subdivided into ten authorised but unissued adjusted shares of par value of HK$0.01 each. Credit arising from the Capital Reorganisation of approximately HK$83,517,000 be applied towards offsetting accumulated losses of the Company. The number of authorised shares of the Company was adjusted from 5,000,000,000 ordinary shares at HK$0.1 each to 50,000,000,000 ordinary shares at HK$0.01 each immediately after the Capital Reorganisation.

(iii) A right issue was conducted on the basis of three right shares for every two ordinary shares of the Company at a subscription price of HK$0.095 per rights share. The Company received for a total of 25,577,651 right shares application which was valid. For the remaining unissued right shares, the Company has, pursuant to Rule 7.21(1)(b), made compensatory arrangements by entering into a placing agreement for placees to subscribe for the remaining right shares. On 30 September 2024, 46,350,000 unsubscribed shares were placed at the price of HK$0.095 per share under the placing agreement. On 9 October 2024, the Company announced that a total of 71,927,651 rights shares were allotted and issued. Gross proceeds raised from the rights issue were approximately HK$6,833,000 and the net proceeds from the rights issue were approximately HK$6,698,000. The Company accounted for increase of share capital by approximately HK$719,000 and share premium of approximately HK$5,979,000 (after deducted directly attributable share issuing expenses). Details of the results of the rights issues are set out in the Company's announcements dated 20 September 2024 and 9 October 2024.

(iv) On 13 November 2024, the Company underwent a share consolidation for every five (5) issued and unissued ordinary shares of the Company be consolidated into one (1) ordinary share of the Company whereby the par value of all the then issued and unissued consolidated shares increases from HK$0.01 to HK$0.05 each (the "**2024 Share Consolidation**"). The number of then issued ordinary shares of the Company were 999,895,548 ordinary shares at HK$0.01 each were consolidated into 199,979,109 ordinary shares at HK$0.05 each immediately after the 2024 Share Consolidation became effective.

Subsequence to the end of the financial year on 9 May 2025, the Company placed an aggregate of 27,000,000 placing shares at HK$0.30 per placing share to few placees. The net proceeds (deducting directly related expenses) from the placing are approximately HK$7.8 million which intends to be used for general working capital purpose.

16. SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme

A share option scheme was adopted by an ordinary resolution of the shareholders at annual general meeting of the Company on 30 August 2013 (the "**2013 Share Option Scheme**"). The 2013 Share Option Scheme is governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from the adoption date on 30 August 2013.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 August 2023 (the "**Adoption Date**"), the Company's new share option scheme (the "**2023 Share Option Scheme**") was adopted. The 2023 Share Option Scheme is governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from the Adoption Date.

The total number of shares in respect of which options may be granted under the 2023 Share Option Scheme was 18,559,357 shares (after the effect on 2024 Share Consolidation), representing 10% of the issued share capital of the Company as at 31 March 2024. There is no material change of the terms under the 2023 Share Option Scheme.

No share options were granted during both years.

The movements in the number of share options during the year were as follows:

Date of offer of grant	At 01/04/2023	Adjusted during the year	At 31/03/2024	Forfeited/ lapsed during the year	Adjusted during the year	At 31/03/2025	Adjusted exercise price after the 2023 Share Consolidation	Adjusted exercise price after the 2024 Share Consolidation and rights issue	Exercise period	Vesting period
11/04/2014	34,000,000	(30,600,000)	3,400,000	(3,400,000)	–	–	HK$11.5	N/A	12/04/2016 to 10/04/2024	12/04/2014 to 12/04/2020
10/03/2016	261,100,000	(234,990,000)	26,110,000	–	(21,232,308)	4,877,692	HK$3.0	HK$16.05	10/03/2016 to 09/03/2026	10/03/2016 to 11/03/2020
25/02/2021	259,000,000	(233,100,000)	25,900,000	(9,000,000)	(13,742,858)	3,157,142	HK$1.3	HK$6.59	25/02/2021 to 25/02/2031	N/A
20/12/2022	370,000,000	(333,000,000)	37,000,000	(9,130,769)	(22,769,231)	5,100,000	HK$0.38	HK$2.05	20/12/2022 to 19/12/2032	N/A
	924,100,000	(831,690,000)	92,410,000	(21,530,769)	(57,744,397)	13,134,834				

The exercise prices and numbers of share options have been adjusted due to placement of shares under rights issue, the 2023 Share Consolidation and the 2024 Share Consolidation.

The weighted average remaining contractual life of options outstanding at the end of the year was 4.77 years (2024: 5.95 years). The weighted average exercise price of options outstanding at the end of the year was HK$8.43 (after adjustments of the 2024 Share Consolidation and the rights issue) (2024: HK$1.8 (after adjustment of the 2023 Share Consolidation)).

13,134,834 (after adjustment of the 2024 Share Consolidation and the rights issue) (2024: 92,410,000 (after adjustment of the 2023 Share Consolidation)) share options were exercisable at the end of the year.

There was no exercise of share options during the years ended 31 March 2025 and 2024.

Share award plan

The Company adopted the Share Award Plan on 8 May 2019.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 August 2023, the Company's Share Award Plan was amended and restated. The amended and restated rules relating to the Share Award Plan is governed by Chapter 17 of the Listing Rules and will remain in force for 10 years from 8 May 2019. There is no material change of the terms under the Share Award Plan.

No share awards were granted by the Company during both years.

17. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments contracted but not provided for in these consolidated financial statements:

	2025	2024
	HK$'000	*HK$'000*
Acquisition of property, plant and equipment	**17,979**	18,943
Capital expenditure in respect of the construction of the ores processing plant	**3,677**	3,673
Capital expenditure in respect of the mining operations	**17,162**	17,346
Capital expenditure in respect of the development of electric vehicles	**19**	779
	38,837	40,741

18. RELATED PARTY TRANSACTIONS

Members of key management personnel during the year comprised only of the Company's directors whose remuneration is set out in Note 7.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2025:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Scope limitation relating to appropriateness of the going concern assumption

As set out in Note 3(b) to the consolidated financial statements, the Group incurred a loss of HK$373,908,000 for the year ended 31 March 2025, and as of that date, the Group had net current liabilities of HK$70,360,000. As disclosed in Note 47(b), subsequent to the end of the reporting period, pursuant to the court judgement dated 16 May 2025, the Group is required to refund the consideration received of RMB34 million in relation to the proposed disposal of the entire equity interests in a group of subsidiaries and pay the relevant liquidation damages of RMB5.5 million to the purchaser, totalling approximately HK$40 million.

When assessing the appropriateness of the use of the going concern basis for the preparation of the consolidated financial statements, the directors of the Company have prepared a cash flow forecast covering a period of 16 months from the end of the reporting period. Certain plans and measures have been taken by the Group to improve its liquidity and financial position, as detailed in Note 3(b) to the consolidated financial statements. Based on the directors' assessment, the Group is able to continue as a going concern and it is appropriate to prepare the consolidated financial statements on a going concern basis.

The appropriateness of the consolidated financial statements prepared on a going concern basis largely depends on whether the plans and measures as detailed in Note 3(b) can be successfully implemented as scheduled. In relation to the expected net proceeds from the proposed placement of new shares, we have not been provided with the details regarding the potential investors, the intended placing price and size that enable us to evaluate the reasonableness of the likelihood of success, and the timing and amount of the share placement. In addition, there was no sufficient information available from management that enables us to evaluate the financial viability of the shareholders such that they are able to provide the undertaking of not demanding the Group to repay HK$12 million due to them earlier than 31 December 2026.

Due to the limitations on our scope of work as stated above and there are no alternative audit procedures that we can perform to obtain sufficient appropriate audit evidence to support the above plan and measures can be successfully implemented, as a result, we were unable to obtain sufficient appropriate evidence to conclude whether the directors' use of going concern basis of accounting to prepare the consolidated financial statements is appropriate.

Should the Group fail to achieve the above plans and measures as abovementioned, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

RESULTS

During the year ended 31 March 2025, the Group recorded revenue of approximately HK$3.0 million (2024: HK$42.2 million) derived from the sales of electric vehicles. The gross loss was approximately HK$2.0 million (2024: gross profit of approximately HK$2.7 million). Excluding the depreciation of property, plant and equipment of approximately HK$0.6 million (2024: HK$2.2 million) and the loss on write-down of inventories of approximately HK$2.1 million (2024: HK$6.9 million), the gross profit was approximately HK$0.7 million (2024: HK$11.8 million) and the gross profit ratio was 22.6% (2024: 28.0%). The decrease in revenue for the sales of electric vehicles during the year was resulted from the drop of sales order from overseas.

The Group recorded a loss of approximately HK$373.9 million for the year as compared to a loss of approximately HK$326.8 million for last year. The increase in loss was mainly due to the net effect of (i) the increase in impairment loss on mining assets in Guangxi to approximately HK$284.8 million (2024: HK$170.6 million); and (ii) reduction in loss on change in fair value and realised loss on disposal of financial assets at FVTPL to approximately HK$21.9 million (2024: HK$72.1 million).

The loss attributable to the owners of the Company was approximately HK$372.0 million (2024: HK$319.3 million). Basic and diluted loss per share for the year was HK$1.93 per share (2024: HK$1.72 per share (restated)).

DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: HK$nil).

BUSINESS REVIEW

Electric buses ("eBus") and electric vehicles ("EV")

The Group, through its subsidiary, Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. ("**Suitong**"), has a production base in Chongqing engaged in the manufacture of eBus and their entire electric power and control systems, the manufacture of other buses, and the marketing and selling of vehicle components.

Hong Kong and the PRC market

The Group maintains its steadfast commitment to Hong Kong's electric public transport transformation. In Hong Kong, we have successfully commercialized these purpose-built electric transport solutions:

1. *12-meter eBus*

   This 12-meter eBus is specifically designed for seniors and those with disabilities. Its features include an extra-low platform for easy accessibility.

   As of 31 March 2025, a unit order of approximately HK$5.3 million is pending delivery, contingent upon the completion of a new vehicle license application by the customer, a non-governmental organization. This is a new order with the Hong Kong Productivity Council ("**HKPC**"), following the successful fulfillment of prior eBus orders for the Airport Authority Hong Kong and the Hong Kong Anti-Cancer Society. The Group anticipates recognising the revenue from this contract upon delivery, which is expected by mid-2025.

2. *APEX MINI*

   A full electric 19-seat low-floor minibus ("**APEX-MINI**") powered by fast-charging batteries with a unique low-floor design had been launched in late 2020, is suitable for both the franchise and non-franchise minibus sectors in Hong Kong.

   In the first quarter of 2024, the Group received a HK$1.6 million order for one APEX MINI unit from a non-governmental organization. However, both parties agreed to terminate the contract to accommodate revised technical specification aligned with evolving field requirements.

   In the second half of 2024, the Group successfully fulfilled a trial order by delivering the first unit of APEX MINI to a local green minibus operator. Revenue of HK$1.9 million was recognised during this reporting period.

3. Electric Mobile Command Unit

In September 2023, the Group was successfully awarded a contract at approximately HK$9 million to supply the first electric mobile command unit (the "**EMCU**") to the Hong Kong Fire Services Department (the "**FSD**"). This EMCU features a powerful 350kW electric motor and a substantial 422kWh battery capacity. Additionally, it incorporates a high-capacity uninterruptable power supply system to maintain the wireless communication and electronic dispatch system, and it is supported by a generator and a public power connection device, ensuring uninterrupted system operation under all circumstances. Following recent discussions with the FSD, the delivery of the EMCU is now anticipated to take place in early 2026.

In addition to the orders mentioned above, the Group has been actively pursuing strategic collaborations with key industry players. In early December 2024, the Group and a leading bus manufacturer in the PRC jointly submitted a tender application to a renowned public transportation operator in Hong Kong for the potential supply of up to 300 units of electric and hydrogen-powered single-deck and double-deck buses. The outcome of this tender is expected to be announced in the near term.

In the PRC, we are preparing to participate in a competitive bidding project initiated by a transportation company in Chongqing Wulong District. The project involves the procurement of 30 units of 65-seat buses. This initiative represents a significant opportunity to strengthen our presence in the domestic transport market and establish a valuable reference project for future public transport tenders in the region.

The Group remains committed to exploring and capitalizing on business opportunities within the Hong Kong and the PRC market. We are confident in our ability to effectively market and sell our vehicles, maintaining a competitive edge in this evolving sector.

Southeast Asian market

1. COMET

Over the past few years, the Group has developed COMET, a fully customized, eco-friendly city bus designed for emerging markets such as the Philippine and India. Specifically tailored to replace traditional Jeepneys, COMET represents the most viable solution for the Philippine market.

In 2021, the Group secured a sizable order for 500+ COMET units from a Philippines-based client (the "**Philippines Customer**"). As of 31 March 2025, over 60 units have been successfully delivered and are operational. However, the overall delivery schedule of further units has been postponed due to the delay in progress payment from the Philippines Customer because of the current market sentiment and the prevailing high interest rate.

2. E-Conversion

In addition to the Philippines market, the Group actively pursued opportunities across Asia, including Thailand, to promote its new energy product and solutions. With the Thai government actively promoting domestic EV adoption in recent years, the Group sees significant potential in Thailand's "fuel-to-electric" conversion ("**e-conversion**") market.

London taxi

During the period under review, the Group has secured a trial order for one set of e-conversion kit for London taxi from a Thai customer. The first set of e-conversion kit has been successfully delivered to the customer, with installation and preliminary commissioning already completed. The trial unit is now undergoing a 10,000-kilometer road test for validating performance under local conditions. Should the result of validation procedures conclude satisfactorily, the Group anticipates securing a follow-on order for 200 conversion kits valued at approximately HK$21 million. We expect the customer will place further orders after this follow-on order.

Three-wheeled motorized vehicle

Subsequent to the reporting period, in April 2025, the Group secured a trial order for two sets of e-conversion kits for three-wheeled motorized vehicles (an iconic form of transportation in Thailand that commonly known as "**tuk-tuk**") from a Thai customer, accompanied by a conditional commitment for 1,000 additional units upon successful validation. This strategic move aligns with Thailand's National EV Policy Committee target of electrifying 30% of all vehicles (including tuk-tuk) by 2030, representing a substantial market potential that the Group is strategically positioned to capture.

Both trial kits have been delivered and installed in Thailand, with commissioning and performance debugging currently in progress. Should the on-site testing confirm operational reliability under local conditions, the customer plans to place batched orders totaling 1,000 conversion kits with contract valued at approximately HK$25 million.

Medium-duty truck

Concurrently, in April 2025, the Group secured an order for one set of conversion kit for a medium-duty truck from another Thai customer, with a conditional commitment for purchasing 50 additional sets of conversion kits upon successful validation.

All major components (except for the batteries) for the trial unit were shipped in late June 2025, with on-site installation and system debugging expected to be completed by August 2025. Upon verification of operational performance and application of local license, the customer will place additional 50 sets order valued at approximately HK$19 million. Subject to validation procedures, full delivery of all conversion kits is targeted for completion before December 2025.

The Group has maintained strategic focus on potential growth opportunities in Southeast Asia's emerging electric vehicle markets, particularly in Thailand and Singapore where urban electrification initiatives align with our competencies in commercial EV solutions. While these moves remain in early stage, they demonstrate our commitment to penetrate the new EV market in other regions through cross-border industrial alliances. Management will continue to explore and evaluate additional partnership opportunities across ASEAN.

American and European market

1. 6-meter van chassis

During the year between 2022 and 2023, the Group has entered into sales contracts with a bakery company in Mexico to deliver an aggregate 1,000 units of van chassis, of which 200 units have already delivered and completed in early 2023. The remaining 800 units have been scheduled to deliver in batches. However, the delivery has been held up and the contract has expired because of certain technical issues raised and modification requested by the customer during the contract period. Despite the Group have been continuing providing advises and solutions to the customer, the Group had not reached an agreement to renew the expired contract.

As disclosed in last interim report, the Group successfully sourced a Mexican distributor for sales of the van chassis and they agreed to purchase the 250 units van chassis in batches upon completion of the homologation for the first trial orders.

The Group initially targeted to resume vehicle deliveries to Mexico in early 2025, including the despatch of two trial units for local homologation process and marketing. However, this timeline has been further postponed due to heightened geopolitical uncertainties following the recent U.S. presidential transition. The new administration's evolving trade policies, particularly potential shifts in cross-border tariffs and regulations, have introduced unprecedented volatility in American markets. Our Mexican clients are therefore exercising caution amid these macroeconomic uncertainties, have temporarily deferred their procurement plans, including the homologation process originally scheduled for early this year. The Group will maintain regular communication with the local distributor to monitor policy developments and negotiate a new delivery timeline in due course.

Business outlook

The global economic landscape continues to face heightened volatility, primarily driven by evolving U.S. trade policies, escalating geopolitical tensions. While these macro-level uncertainties, particularly increasing trade barriers, may constrain near-term growth in global markets. To manage risks, the Group remains committed to diversifying geographically and explore different opportunities.

Nevertheless, the Group has continued exploring solutions and opportunities in different market sectors. We are confident that our new energy business will be the key growing factors in the near future.

Suitong Disposal

On 2 June 2023, the Group has entered into a sale and purchase agreement (the "**Disposal Agreement**") for selling its entire equity interests in a group of subsidiaries (the "**Target Group**") to an independent third party (the "**Purchaser**") at a consideration of RMB34 million (the "**Suitong Disposal**"). The intended assets to be disposed of are certain intangible assets including the modified bus enterprise status which is embedded with the entity of Chongqing Suitong New Energy Automotive Manufacturing Co., Ltd. ("**Suitong**"), one of the subsidiaries of the Target Group, where all other major assets and liabilities of the Target Group will be retained in the Group prior to the completion through restructuring. The Company will continue to possess the production facilities of Suitong and the qualifications to manufacture and export electric vehicles to overseas customers. There are no material impact on the business operation of the Company during and after the transitional period.

Since the second half of 2023, the Group has completed certain restructuring steps in accordance with the Disposal Agreement. However, the relationship between the Group and the Purchaser deteriorated and the Suitong Disposal still remains incompleted because of a series of disagreements on the execution process such as (i) failure to make progress payments by the Purchaser in accordance with the Disposal Agreement; and (ii) failure to facilitate and cooperate with the transfer of the major assets of Suitong to the Group including land use rights, etc.

On 21 August 2024, the Purchaser initiated arbitration proceedings ("**CQ Arbitration**") at the Chongqing Arbitration Commission against the Group, claiming the return of the consideration of RMB34 million plus contractual penalty of RMB6.8 million, and additional compensation totaling approximately RMB40 million. Subsequently, on 3 September 2024, the Group has received an enforcement notice from the Third Intermediate People's Court of Chongqing that the equity interests in Chongqing Suitong New Energy Automotive Manufacturing Co. Ltd (重慶穗通新能源汽車製造有限公司), Shenzhen New Energy Technology Company Limited (深圳市中動智慧新能源技術有限公司) and Dongguan Sinocop Electric Vehicles Company Limited (東莞中銅電動汽車有限公司) held by the Group were frozen for three years. In response, the Company has engaged PRC legal counsel to contest the allegations through formal arbitration and judicial review procedures.

Subsequent to the hearings held in CQ Arbitration tribunal in January 2025, on 27 May 2025, the Group received a judgement of the CQ Arbitration dated 16 May 2025 from Chongqing Arbitration Commission (the "**Judgement**"), pursuant to which it was ruled by the Chongqing Arbitration Commission that (i) the Disposal Agreement shall be terminated effectively on 12 September 2024; (ii) the Group shall return the consideration of RMB34 million of the Suitong Disposal to the Purchaser and pay an amount of approximately RMB5.5 million to the Purchaser as liquidated damages for the breach of the terms under the Disposal Agreement and cost incurred by the Purchaser for the asset preservation application; and (iii) the Purchaser shall pay an amount of RMB760,000 to the Group as liquidated damages for the breach of the terms under the Disposal Agreement. As at the date of this announcement, the Company has filed an application for the revocation of the Judgement.

Mining and production of mineral products

The Group's wholly-owned subsidiary, Guangxi Weiri Mining Company Limited ("**Guangxi Weiri**"), owns a glauberite mine (the "**Glauberite Mine**") located in the Guangxi Zhuang Autonomous Region of the PRC. The product extracted from the Glauberite Mine is thenardite, an important raw material used in chemical and light industrial manufacturing. No exploration, development or production activity related to the Glauberite Mine was conducted during the year ended 31 March 2025. During the year ended 31 March 2025, the Company has engaged SRK Consulting (Hong Kong) Limited ("**SRK**") to review and provide an updated mineral resources estimates and report in accordance with the JORC Code (2012).

Mineral resource information

The below table sets out the mineral resource information of the Guangxi Glauberite Mine as of 31 March 2025 in accordance with the JORC Code (2012):

Domain	**Classification**	**Tonnage** *(Mt)*	**Na_2SO_4 Grade** *(%)*	**Na_2SO_4 Material** *(Mt)*
Orebody 1	Indicated	983	17.66	174
	Inferred	87	16.98	15
	Subtotal	1,070	17.60	188
Orebody 2	Indicated	57	12.45	7
	Inferred	80	15.88	13
	Subtotal	137	14.44	20
Total	**Indicated**	**1,041**	**17.37**	**181**
	Inferred	**167**	**16.45**	**27**
	Total	**1,207**	**17.25**	**208**

(1) Any differences between totals and sum of components are due to rounding.

(2) The effective date of the mineral resource is 31 March 2025. All tonnages are rounded to the nearest million tonnes to reflect the inherent level of confidence associated with the resources estimation. The mineral resource was estimated within constraining wireframe solids based on geological limits of the mineralized and internal waste units. Nominal cut off for defining the geological unit is 10% Na2SO4. No cut-off has been applied to the resource block model of the project. The mineral resource estimate is in accordance with the JORC Code 2012 with an effective date of 31 March 2025.

(3) Competent person statement:

The information in this section that relates to mineral resources is based on work done by Dr. (Tony) Shuangli Tang and Dr. (Gavin) Heung Ngai Chan. Dr. Tony Tang and Dr. Gavin Chan are Member and Fellow of Australian Institute of Geoscientists (AIG), respectively, and full-time consultants employed by SRK. Dr. Tony Tang and Dr. Gavin Chan have sufficient experience, which is relevant to the style of mineralisation, the type of deposits under consideration, the mineral resource estimation under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Dr. Tony Tang and Dr. Gavin Chan consent to the inclusion in this section the matters based on their information in the form and context in which it appears.

This information was prepared and first disclosed under the JORC Code 2004. The resource estimation is an update in compliance with the JORC Code 2012. The latest estimate updated during the this year, compared to the previous one, indicates a slight reduction in tonnes while maintaining similar grades. This difference is primarily due to the exclusion of material located near the fault zone. Additionally, no cut-off grade was applied in the reporting of the resource, resulting in the inclusion of all material within the orebody wireframe in the estimate.

The Competent Person's Consent Forms from Dr. Tony Tang and Dr. Gavin Chan were obtained by the Company on 25 June 2025.

Fair value assessment

The Group has closely monitored the Glauberite Mine development and has periodically assessed its resources, financial viability, and general condition. The management has conducted regular financial analysis, taking into account its resources, technical parameters and market situation, so as to assess the mining assets' overall situation. The Group has engaged the services of a qualified independent valuer (the "**Valuer**") to assess its fair value annually. The independent valuer adopted the Multi Period Excess Earnings Method to estimate the fair value of the mining assets.

The Multi Period Excess Earnings Method was consistently adopted in the valuation of the mining assets for its impairment assessment since the acquisition of the mining assets by the Group. The valuation in the current year is based on a financial budget covering a 16-year period from 2026 to 2041 and then discounted to its present value by the discount rate. The Group has assessed the key assumptions used for the calculation of the discounted cash flows, including the prevailing market condition of thenardite products, the exploitation volume of the resources and the discount rate adopted. There were no significant changes in the assumptions and basis of value of the inputs used under the Multi Period Excess Earnings Method from those previously adopted for the valuation of the mining assets for the years ended 31 March 2025 and 2024.

The summary of value of inputs under the Multi Period Excess Earnings Method for the valuation of the mining assets for the years ended 31 March 2025 and 2024 as disclosed in Note 11 to the consolidated financial statements is as follows:

#	Key assumptions	**FY2025**	FY2024
1	Thenardite price per ton	**RMB681**	RMB752
2	Required rate of return for working capital	**3.68%**	3.68%
3	Required rate of return for fixed assets	**11.92%**	12.55%
4	Required rate of return for assembled workforce	**17.58%**	18.41%
5	Post-tax discount rate	**23.08%**	23.91%
6	Income growth rate within the projected period	**2.34%**	2.54%
7	Cost growth rate within the projected period	**1.21%**	1.38%

The summary of the basis of value of the inputs used under the Multi Period Excess Earnings Method, which was consistently applied by the Valuer in previous years, is set out as follows:

Key assumptions		**Basis of assumptions**
1.	Thenardite price per ton	Relevant data obtained from third party's quotations pertaining to the mining assets in Guangxi and market research report performed by third party organization.
2.	Required rate of return for working capital	(i) Prime rate as quoted by the People's Bank of China; and (ii) Statutory corporate income tax rate of the PRC.
3.	Required rate of return for fixed assets	(i) PRC's long-term borrowing rate; (ii) Statutory corporate income tax rate of the PRC; and (iii) the cost of equity.
4.	Required rate of return for assembled workforce	Being the weighted average cost of capital.
5.	Post-tax discount rate	Being the weighted average cost of capital with a premium to reflect the higher risk nature of the mining assets as intangible assets.
6.	Income growth rate within the projected period	Expected inflation rate based on the geometric average of the China Producer Price Index-Non-Metals Minerals Mining and Dressing year-over-year from 2011 to 2025.
7.	Cost growth rate within the projected period	The geometric average of the China Producer Price Index year-over-year from 2002 to 2025.

As illustrated above, the changes in value of inputs adopted under the Multi Period Excess Earnings Method for the valuation of the mining assets for the years ended 31 March 2025 and 2024 are set out as follows:

1. *Thenardite price per ton*

   The thenardite price per ton adopted in the valuation decreased from RMB752 per ton for the year ended 31 March 2024 to RMB681 per ton for the year ended 31 March 2025 as a result of the dropped in average price in the quotations from third parties in the industry. The products include thenardite (i.e. sodium sulfate), sodium carbonate and ammonium sulfate.

2. *Required rate of return for working capital*

   There is no change in the required rate of return for working capital which maintained at 3.68% for the years ended 31 March 2025 and 2024.

3. *Required rate of return for fixed assets*

   The required rate of return for fixed assets was 11.92% for the year ended 31 March 2025 (2024: 12.55%).

4/5. *Required rate of return for assembled workforce/Post-tax discount rate*

   The required rate of return for assembled workforce dropped to 17.58% (2024: 18.41%) and the post-tax discount rate dropped to 23.08% (2024: 23.91%) for the year ended 31 March 2025. The reason for both declines was mainly attributable to the lower risk free rate.

6. *Income growth rate within the projected period*

   The income growth rate within the projected period dropped to 2.34% for the year ended 31 March 2025 (2024: 2.54%), being the geometric average of the "China Producer Price Index – Non-Metals Minerals Mining and Dressing".

7. *Cost growth rate within the projected period*

   The cost growth rate within the projected period decreased as the geometric average of the "China Producer Price Index" decreased from 1.38% for the year ended 31 March 2024 to 1.21% for the year ended 31 March 2025.

The movement of the mining assets of the Group for the year ended 31 March 2025 as disclosed in Note 11 to the consolidated financial statements is extracted as follows:

	HK$'000
As at 1 April 2024	1,139,000
Impairment loss	(284,752)
Exchange realignment	(9,248)
As at 31 March 2025	**845,000**

The fair value of the mining assets decreased from approximately HK$1,139.0 million (equivalent RMB1,051.2 million) as at 1 April 2024 to approximately HK$845.0 million (equivalent RMB787.8 million) as at 31 March 2025, which was mainly attributable to the present value of the estimated excess income decreased as a result of the dropped in thenardite price by approximately 9.44% from last year.

The impairment loss of approximately HK$284.8 million (2024: HK$170.6 million) is a non-cash item and will not affect the cash flow of the Group. The Group will continue to assess any opportunities and means to minimize risks and to maximize shareholders benefits as a whole. Given the Glauberite Mine's distinct advantage in terms of its immense resources, strategic location and market potential, the Group remains highly confident that it is a unique and valuable asset.

Update of development of the Glauberite Mine

As stated in the previous annual report and the supplemental announcement dated 14 August 2024, the Company is considering the possibility of implementing the Revised Mining Plan, which utilises the latest modern technology to allow the extraction of the minerals in the Glauberite Mine in a more efficient manner as compared to the original mining plan.

In January 2024, China Tianchen Engineering Corporation ("**TCC**") has issued the feasibility studies report on the Revised Mining Plan (the "**Feasibility Report**"), which is intended for an annual production of 100,000 tons of baking soda and 80,000 tons of ammonium sulfate. Based on the opinion of TCC, the Revised Mining Plan which utilises (i) the Guangxi Land, the infrastructure and resources of Guangxi Weiri; and (ii) latest mining technology and extraction solutions provided by the Institute of Process Engineering of Chinese Academy of Sciences ("**CAS**"), is more economically efficient than the original mining plan. It is expected that, upon the implementation of the Revised Mining Plan, the Glauberite Mine generate positive revenue and net profit annually. Based on the preliminary estimation conducted by TCC, an initial investment and working capital of around RMB350 million is required for the construction of the above infrastructure and the operation of the Revised Mining Plan. It is expected to take around 18 to 24 months to complete the construction work upon commencement of the project.

The Company had been negotiating with a number of potential investors for fundraising opportunities for financing the implementation of the Revised Mining Plan. The Company also considered to collaborate with other mining companies in the PRC, including state-owned mining companies, to jointly develop the Glauberite Mine and implement the Revised Mining Plan. However, given the recent investment sentiment and macroeconomic environment, no fundraising and collaboration opportunities have yet to materialise in this regard.

The implementation of the Revised Mining Plan is subject to, among other things (i) the fundings required for the implementation of the Revised Mining Plan; and (ii) the board approval of the Company after considering factors such as the cashflow of the Company and valuation report of the Glauberite Mine to be further conducted based on the Revised Mining Plan.

Status of the Guangxi Land and the Administrative Litigation

Guangxi Weiri has purchased a land use right covering 63,118 square meters of land at a cost of RMB7.6 million (the "**Guangxi Land**"). Another RMB8.6 million has been paid for approximately 100,000 square meters of land for a factory site, however, relevant land use rights have not yet been issued. No further payment has been made to the government on the land use right thus far since the land use rights of the second parcel of land as stated above are still pending approval. An accumulated expenditure of approximately RMB18.5 million was incurred for the construction of an access road to the factory site.

On 14 November 2022, the Board came into attention that, on 20 January 2022, Hengxian Natural Resources Bureau ("**Resources Bureau**") has purported issued a notice (the "**Notice**") for the revocation of the land use right of the Guangxi Land (the "**Revocation**"). Pursuant to the Notice, it was stated that, among other things, as the Guangxi Land remained idle since the end of 2018, the Resources Bureau has decided to revoke the land use rights of the Guangxi Land. The details of the Notice are disclosed in the announcement published by the Company on 19 December 2022. On 18 September 2023, the Group has received a further revocation notice from the Resources Bureau and confirmed the revocation decision on the land use right of the Guangxi Land. Hence, the related right-of-use asset has been fully depreciated in relation to the revocation during the year ended 31 March 2024. In June 2024, the Group had initiated an administrative litigation (the "**Administrative Litigation**") against the Resources Bureau to contest the validity of the Revocation. The court hearing was held on 26 July 2024 and the court ruled that the administrative act (including the annulment of the land use right of Guangxi Land) performed by the Resources Bureau was unlawful.

Refining the shareholding structure of Guangxi Weiri

As disclosed in the supplemental announcement dated 14 August 2024, the Group commenced litigation against Mr. Zhou Bo in the PRC in February 2024 for failing to transfer 1% registered shares in Guangxi Weiri as instructed pursuant to the deed of assignment dated 20 July 2011 (the "**Deed**"). The initial hearing was held on 20 May 2024, with a second hearing pending administrative steps, which is expected to be completed by July 2025.

Litigation against Guangxi Weiri

On 9 December 2022, the Guangxi Contractor has commenced an arbitration against Guangxi Weiri (the "**Arbitration**"). The Contractor applied to the People's Court of Qingxiu District Nanning Municipality (the "**Qingxiu Court**") requesting Guangxi Weiri for the payment of the contract sum and respective interest in the aggregate amount of approximately RMB2.5 million in relation to a construction and exploration contract entered into by Guangxi Weiri and the Guangxi Contractor in December 2014. On 13 April 2023, the first hearing was held by the Qingxiu Court in relation to the Arbitration. On 25 May 2023, the Guangxi Contractor applied to the Qingxiu Court for the judicial preservation of assets of Guangxi Weiri in the amount of approximately RMB2.5 million.

Pursuant to a notice from the Qingxiu Court (the "**Notice**") dated 12 June 2023, which was received by the management of the Company on 5 July 2023, the mining rights of the Glauberite Mine held by Guangxi Weiri (the "**Mining Rights**") was frozen for judicial preservation (the "**Preservation**") in relation to the Arbitration for a period of three years from 26 May 2023 to 26 May 2026. On 30 June 2023, the Group received the decision from the Qingxiu Court that ordered Guangxi Weiri to pay the Guangxi Contractor RMB0.9 million plus interest. The Company has consulted its legal adviser and understands that (i) the Preservation only prohibits the change of legal title of the Mining Rights by Guangxi Weiri, but does not affect the rights entitled by Guangxi Weiri under the Mining Rights, including the business operations and exploration or exploitation activities of the Glauberite Mine; and (ii) the Preservation of the Mining Rights will be lifted immediately in the event the Company settles the RMB0.9 million plus interest in accordance with the decision of the Qingxiu Court for the Arbitration. As such, the Company considers there are no legal obstacle in relation to the development of the Glauberite Mine with the Mining Rights. As at 31 March 2025, an estimated amounted of approximately RMB1,559,000 has been provided and included in "other payables and accruals".

Litigation against Wise Goal

On 3 August 2021, the Group was notified by the Intermediate People's Court of Nanning Municipality (the "**Nanning Court**") of a lawsuit filed by Mr. Zhou Bo (the "**Plaintiff**") on 27 July 2021. The Plaintiff sought (i) payment of RMB21.7 million in unpaid share capital by Wise Goal Enterprises Limited ("**Wise Goal**") to Guangxi Weiri; (ii) judicial preservation of Guangxi Weiri's equity interest (the "**Property Preservation**"). The Board is of the view that the action is frivolous, as it contradicted the shareholders' agreed capital contribution arrangement for Guangxi Weiri. Consequently, no impairment of the Group's investment in Wise Goal was recognised. The Group engaged PRC legal counsel to defend its interests, with court hearings held in October and November 2021.

On 13 January 2023, the Group received the decision from the Nanning Court, ordering Wise Goal to complete the non-paid up share capital of RMB21.7 million and to reimburse Mr. Zhou Bo RMB1.5 million (the "**Decision**"). Wise Goal appealed the decision on 3 February 2023, however the Higher People's Court of Guangxi upheld the ruling on 27 June 2023.

In October 2023, an application of re-examination has been submitted to The Supreme People's Court of the PRC. This case was consolidated with ongoing litigation against Mr. Zhou Bo (see section "Refining the Shareholding Structure of Guangxi Weiri" above). The first hearing occurred on 20 May 2024; a second hearing is pending administrative procedures (expected by July 2025). In September 2024, regarding the unsettled RMB1.5 million claim, the court has issued a notice to auction the 25.13% equity interest of Guangxi Weiri, which was subsequently opposed by Wise Goal. The Group remains confident that a favorable judgment in the upcoming hearing could overturn the reimbursement order.

The Board will closely monitor the cases as mentioned above and evaluate its impact to the Group.

Metals and minerals trading

The metals and minerals trading industry has remained weak and the profit margin of such business is low, the Group did not conclude any trading contract on metal ores during the year to avoid any possible risk. The Group continues to identify and pursue other types of resources for the trading business and believes that it will be able to seize such opportunities as they arise.

FINANCIAL REVIEW

Revenue

The Group generated revenues from the sales of electric vehicles amounted to approximately HK$3.0 million (2024: HK$42.2 million) for the year, decreased by 92.9% over last year. The geographical areas in which the customers are located is as follows:

	2025		2024	
	HK$'000	***%***	*HK$'000*	*%*
Mexico	**–**	**–**	42,239	100.0
Hong Kong	**2,618**	**86.9**	–	–
Philippines	**276**	**9.2**	–	–
Thailand	**118**	**3.9**	–	–
Total	**3,012**	**100.0**	42,239	100.0

Gross profit/(loss)

Cost of sales primarily includes direct parts, materials, processing fee, labor cost and manufacturing overhead, including depreciation of assets associated with production and write-down of inventories.

During the year, an approximately HK$2.1 million (2024: HK$6.9 million) write-down of inventories and approximately HK$0.6 million (2024: HK$2.2 million) depreciation of property, plant and equipment are recognised as cost of sales. The write-down was attributable to the dead stocks including the unsold traditional bus and other aging raw materials. Excluding the write-down of inventories and depreciation of property, plant and equipment, the gross profit of the Group was approximately HK$0.7 million (2024: HK$11.8 million) and the gross profit margin decreased to 22.6% (2024: 28.0%) in the current year.

Administrative and other operating expenses

Administrative expenses amounted to approximately HK$39.9 million (2024: HK$60.5 million) for the year, decreased by 34.0% as compared to last year. Administrative expenses mainly consist of (i) employee compensation, including salaries and other benefits; (ii) legal and professional fees; and (iii) amortisation and depreciation expenses. Details of the items are set out in Note 7.

Impairment of mining assets

In accordance with an independent valuation report on the Glauberite Mine, the fair value of the Glauberite Mine as at 31 March 2025 is RMB787.8 million, which is lower than its carrying value of RMB1,051.2 million and hence the impairment loss on the mining assets of RMB263.4 million, equivalent to HK$284.8 million (2024: HK$170.6 million) was made in the current year. The decrease in fair value of the mining assets was due to the dropped in thernadite price from RMB752 per ton to RMB681 per ton.

Change in fair value and realised loss on disposal of financial assets at FVTPL

During the year ended 31 March 2025, the amounts represented (i) an amount of approximately HK$10.3 million (2024: HK$36.8 million) recognised as change in fair value on the equity interests in Quantron; and (ii) a realised loss of approximately HK$11.6 million (2024: HK$35.3 million) recognised on the disposal of equity interests in Quantron.

Finance costs

Finance costs consist of interests on lease liabilities, convertible notes, bank loan and other borrowing.

Other income

Other income primarily consists of government grants, sundry income, exchange gain, net and interest income. The other income amounted to approximately HK$1.5 million (2024: HK$2.0 million) for the year.

LIQUIDITY AND FINANCIAL RESOURCES

The directors have considered various ways of raising funds. During the year ended 31 March 2025, the Group (i) conducted a rights issue on the basis of three rights shares for every two existing shares (the "**Rights Issue**"); and (ii) issued convertible notes (the "**2024 Convertible Notes**") in a principal amount of HK$5 million. These fund raising activities serve as significant financial support for enhancing liquidity and future development.

As at 31 March 2025, the net asset value of the Group amounted to approximately HK$847.9 million (2024: HK$1,216.3 million). The gearing ratio of the Group was 2.14% (2024: 2.33%) and the equity attributable to owners of the Company was approximately HK$872.6 million (2024: HK$1,246.2 million).

The operating cash flows of the Group are mainly denominated in Hong Kong dollars, Renminbi, US dollars and Euro. Certain bank deposits, receivables and payables of the Group are denominated in Renminbi, US dollars and Euro. As at 31 March 2025, the Group had unrestricted cash and bank balances of approximately HK$8.4 million (2024: HK$13.9 million), of which 12.2% (2024: 6.9%) was denominated in HK dollars and 86.5% (2024: 80.3%) was denominated in Renminbi.

During the reporting period, the exchange rate of the Renminbi depreciated by approximately 1.1% against the Hong Kong dollar. This had a negative impact on the Group's results upon translation of the Group's assets that are denominated in Renminbi. The Group has not entered into any foreign currency exchange forward contracts for hedging purposes for Renminbi during the year. Foreign exchange exposure in respect of US dollars is considered to be minimal as the exchange rate between Hong Kong dollars and US dollars is pegged. Foreign exchange exposure in respect of the Euro is also considered to be minimal in the current year. The Group will closely monitor its currency exposure and, when it considers appropriate, will take the necessary actions to ensure that such exposure is properly hedged.

USE OF PROCEEDS

Placing under general mandate

Subsequent to the reporting period, on 9 May 2025, the Company completed a placing of 27,000,000 new shares to not less than six placees at the placing price of HK$0.30 per placing share under the general mandate granted to the directors on 15 August 2024. The net proceeds from the placing after deducting all relevant expenses were approximately HK$7.86 million. As at the date of this announcement, the net proceeds of approximately HK$3.36 million have been utilised as general working capital of the Group as intended.

2024 Convertible Notes

On 13 September 2024, the Company issued the 2024 Convertible Notes in a principal amount of HK$5 million at the conversion price of HK$0.5 per conversion share (adjusted after the effect of the 2024 Share Consolidation) under the general mandate granted to the directors of the Company on 15 August 2024. The net proceeds from the issue of 2024 Convertible Notes after deducting all relevant expenses was approximately HK$4.75 million, which were fully utilised for the general working capital of the Group as at the date of this announcement.

Rights Issue

In October 2024, the Company completed the Rights Issue and the net proceeds generated from the Rights Issue after deducting all relevant expenses was approximately HK$5.83 million, which were fully utilised as follow:

	Planned use of net proceeds *HK$'000* (approximately)	Revised allocation of net proceeds *HK$'000* (approximately)	Actual use of net proceeds *HK$'000* (approximately)
Production orders of electric vehicles on hand	1,870	772	772
Production orders of electric and utility vehicles for potential customers	1,940	700	700
Homologation, marketing and promotion and aftersales support of the electric vehicles	320	–	–
General working capital and settlement of other administrative expenses	1,700	4,358	4,358
	5,830	5,830	5,830

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

The Mining Rights were frozen for the Preservation in relation to the Arbitration for a period of three years from 26 May 2023 to 26 May 2026. Details of the Arbitration are set out in the "Business Review" above.

Save as disclosed herein, there was no other charge on the Group's assets and the Group did not have any significant contingent liabilities not accounted for as at 31 March 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 41 (2024: 54) full-time managerial and skilled staff principally in Hong Kong and the PRC. The Group also engaged some international advisors in Europe to support its growth strategy in the global market. The Group is now working on a cost optimization plan in order to ensure maximum efficiency.

The Group remunerates and provides benefits for its employees based on current industry practices. Discretionary bonuses and other individual performance bonuses are awarded to staff based on the financial performance of the Group and performance of individual staff. In the PRC, the Group provides staff welfare for its employees in accordance with prevailing labor legislation. In Hong Kong, the Group provides staff benefits including the mandatory provident fund scheme and medical scheme. In addition, share options and share awards are granted to eligible employees in accordance with the terms of the Company's share schemes.

EVENTS AFTER THE REPORTING DATE

On 27 May 2025, the Group received a judgement of the CQ Arbitration dated 16 May 2025 from Chongqing Arbitration Commission (the "**Judgement**"), pursuant to which it was ruled by the Chongqing Arbitration Commission that (i) the Disposal Agreement shall be terminated effectively on 12 September 2024; (ii) the Group shall return the consideration of RMB34 million of the Suitong Disposal to the Purchaser and pay an amount of approximately RMB5.5 million to the Purchaser as liquidated damages for the breach of the terms under the Disposal Agreement and cost incurred by the Purchaser for the asset preservation application; and (iii) the Purchaser shall pay an amount of RMB760,000 to the Group as liquidated damages for the breach of the terms under the Disposal Agreement. Details of the CQ Arbitration are set out in the "Business Review" above.

On 9 May 2025, the Company completed a placing of 27,000,000 new shares to not less than six placees at the placing price of HK$0.30 per placing share under the general mandate granted to the directors on 15 August 2024. The net proceeds from the placing were approximately HK$7.86 million after deducting the commission payable to the placing agent and other related expenses incurred.

SHARE REPURCHASES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**Code**") as set out in Appendix C1 of the Listing Rules. The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the year ended 31 March 2025 except the following:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Despite the deviation from C.2.1 of the code provision of the Listing Rules for Mr. Cheung Ngan serves as the Chairman of the Board as well as the chief executive officer of the Company, the Board believes that Mr. Cheung Ngan being the Chairman of the Board, is familiar with the Company's business operation and has excellent knowledge and experience of the Company's business which will be conducive to improving the efficiency of the Company's overall strategic planning. The Board believes that such management structure layout will be more beneficial to the future development of the Company and will improve the Company's operating conditions. The Board will review the effectiveness of this arrangement from time to time and will consider appointing an individual as the chief executive officer when appropriate.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as the code of conduct regarding directors' securities transactions.

All directors have confirmed, following specific enquiry by the Company, they have complied with the required standards set out in the Model Code during the year ended 31 March 2025.

CHANGE IN DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Since the publication of the latest interim report and up to the date of this announcement, changes in directors' information are set out below:

- The term of appointment of Mr. Chan Francis Ping Kuen, independent non-executive directors of the Company, has been renewed for a further two years from 1 July 2025 to 30 June 2027 at a director's fee of HK$100,000 per annum.

- The service agreement of Ms. Chan Hoi Ying, executive directors of the Company, has been renewed for a further two years from 10 May 2025.

- Dato' Tan Yee Boon has resigned as an independent non-executive director of Protasco Berhad (Stock Code: 5070.KL), the shares of which are listed on the Main Market of Bursa Malaysia.

Save as disclosed above, there is no other change required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements of the Code and comprised of three independent non-executive directors, Mr. Chan Francis Ping Kuen, Mr. Lee Kwok Leung and Dato' Tan Yee Boon. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the annual results for the year.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION

The Company's 2025 annual report which sets out all the information required to be disclosed under Appendix 16 of the Listing Rules, will be published on the website of the Company and the Stock Exchange in due course.

On behalf of the Board
Ev Dynamics (Holdings) Limited
Cheung Ngan
Chairman

Hong Kong, 30 June 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Ngan, Ms. Chan Hoi Ying and, Mr. Sun Jingchun and three independent non-executive Directors, namely Mr. Chan Francis Ping Kuen, Mr. Lee Kwok Leung and Dato' Tan Yee Boon.