Pizu Group Holdings Limited

比優集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 9893

2025

ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Ma Tianyi *(Chairman and Chief Executive Officer)*
Mr. Liu Fali *(Chief Operating Officer)*
Ms. Qin Chunhong
Ms. Ma Ye
Mr. Ma Yong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Xu
Mr. Ha Suoku
Mr. Hu Jingqiang *(appointed on 28 February 2025)*
Ms. Zhang Jinghua *(resigned on 28 February 2025)*

AUDIT COMMITTEE

Mr. Li Xu *(Chairperson, re-designated as Chairperson on 28 February 2025)*
Mr. Ha Suoku
Mr. Hu Jingqiang *(appointed on 28 February 2025)*
Ms. Zhang Jinghua *(resigned as Chairperson and member on 28 February 2025)*

REMUNERATION COMMITTEE

Mr. Li Xu *(Chairperson, re-designated as Chairperson on 28 February 2025)*
Ms. Qin Chunhong
Mr. Ha Suoku
Mr. Hu Jingqiang *(appointed on 28 February 2025)*
Ms. Zhang Jinghua *(resigned as chairperson and member on 28 February 2025)*

NOMINATION COMMITTEE

Mr. Ha Suoku *(Chairperson)*
Mr. Li Xu
Mr. Hu Jingqiang *(appointed on 28 February 2025)*
Ms. Qin Chunhong *(appointed on 28 February 2025)*
Ms. Zhang Jinghua *(resigned as chairperson and member on 28 February 2025)*

COMPANY SECRETARY

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PRC

STOCK CODE

9893

CHAIRMAN'S STATEMENT

Pizu Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") are grateful to our shareholders and the community for their trust, understanding and support during the year ended 31 March 2025 (the "Year"). I take the opportunity, on behalf of the board (the "Board") of directors and all staff of the Group, to extend our sincere gratitude to the shareholders and all sectors who have always cared and supported the Group!

During the year 2024/2025, the Group's existing businesses operated steadily with stable cash flow, while its projects under construction progressed steadily. Meanwhile, the Company completed the transfer of listing of its shares from the GEM to Main Board in early 2025. This milestone achievement not only represents market recognition of the Group's business operations, but also provides a broader platform for the Group's further development in the future.

The Group's sales of civil explosives within the Inner Mongolia Autonomous Region continued to operate steadily. In the future, the Group will put more efforts in researching relatively new market opportunities in Xinjiang and Tibet, and optimize the Group's explosives production capacity layout at an appropriate time to cope with potential market fluctuations. The mine of Anhui Jinding Mining Co., Ltd (Anhui Jinding) had a good operating condition and stable production volume during the Year, and the high global prices of related metal products were also favorable to the business of the company.

At the end of the Year, Tibet Tianren Mining Co., Ltd (Tibet Tianren) basically obtained all the prior governmental approvals and gradually commenced full-scale construction, which is expected to be completed within two years. The Group remains optimistic about the prospects of this business and will make every effort to ensure the progress of this project, hoping that it will bring expected benefits to the Group and our shareholders as soon as possible. In the Central Asia region, the Group has also completed the export of civil explosive to the neighboring countries of Tajikistan during the Year, and at the same time, is planning to expand the scope of business to blasting and mining construction, etc., so as to strengthen the competitiveness of the Group in the Central Asia region.

The Group will endeavor to continue to maintain the operating status of its existing businesses and ensure that the various projects under construction will progress as expected. The Board remains confident in the direction of the Group's existing businesses and hopes that stronger competitiveness in all relevant areas will bring the Group sustainable and steady income.

The Company proposes to pay a final dividend of HK$0.015 per share to share the income from the stable development of the Group with all shareholders.

Ma Tianyi
Chairman

27 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS 2024-2025

Business Review

During the Year, the Group's main income came from the trade of civil explosives, provision of blasting services, as well as sales of mineral concentrates attributable to the Group's mining operation business.

The Group's civil explosives sales business continued to be stable during the Year, and the technical modifications corresponding to the production capacity adjustment of a subsidiary engaged in manufacturing and sales of explosives were completed in the fourth quarter. However, fluctuations in the coal market since 2025 have had a certain impact on the Group's business in Inner Mongolia. The management have conducted a number of inspections in Xinjiang and Tibet, and explored the optimization of the production capacity structure. The profit level of the Anhui Jinding project has been further enhanced, while the management is actively pushing forward the progress of the deep exploration engineering so as to maintain the current operating status for a longer period of time.

The Group's civil explosives business in Central Asia has remained stable, with the construction of the detonating tube production line progressing steadily. Meanwhile, the Group has conducted research and studies on blasting and mining projects in various countries in Central Asia, and expects to gradually launch the relevant business in the coming year. The pre-approval of the Tibet Tianren project was basically completed during the Year and full-scale construction has been commenced, with a projected construction period of two years.

Overall, the Group has maintained the steady operation of its existing business and has been actively expanding its business scope on this basis. In the future, the Group will continue to explore opportunities in regions such as Tibet and Central Asia to further develop its business by providing solutions to customers with solid technical capabilities and excellent product quality.

Business Outlook

The Group will further seek to optimize the production capacity allocation of the civil explosives production segment, thereby raising the sales volume and profit margin of the segment. As the market demand in Inner Mongolia is currently highly volatile, the Group's efforts to pave the way in other regions are expected to provide ideas for the optimization of the production capacity structure and reduce the difficulty of implementation.

The Group's blasting services and mining construction engineering teams will continue to focus on supporting the development of the Group's civil explosives production segment and mining segment, while at the same time striving for new market opportunities in regions such as Central Asia with their professional service capabilities.

In terms of mining and mineral products production and sales, the Group is committed to further optimizing the long-term production and operational management of the Anhui Jinding project. The Group will make every effort to ensure that the construction of the Tibet Tianren Project will progress as expected, and will commence preparations for studies on downstream sales and processing of mineral products.

In the foreseeable future, the Group's development pattern of stable domestic growth and rapid expansion in Central Asia will gradually take shape. As the domestic and international environments change, the Group is confident that it will be able to cope with various scenarios and derive sustainable benefits from them.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and profit

The Group achieved a consolidated revenue from the operations of approximately RMB1,695.51 million, representing an increase of approximately 24.09% in comparison with the year ended 31 March 2024. The following table is the breakdown of revenue for the Year:

	RMB'000	Approximately % attributable to the turnover of the Group
Sales of explosives	568,634	33.54%
Provision of blasting operations	293,796	17.33%
Sales of mineral concentrates	833,077	49.13%
	1,695,507	100%

During the Year, the Group recorded a profit of RMB325 million, representing a year-on-year increase of 27.09% as compared to RMB256 million for the year ended 31 March 2024, which was mainly due to the growth in mining and explosive business during the year.

Earnings per share

The earnings per share of the Group is covered in note 14 to the consolidated financial statements.

Segment information

The segment information of the Group is covered in note 15 to the consolidated financial statements.

CAPITAL STRUCTURE

Capital structure of the Group comprises equity plus debts raised by the Group (including borrowings) net with cash and cash equivalents. Details of movement in share capital of the Company during the Year are set out in note 36 to the consolidated financial statements (2024: Nil). Details of borrowings of the Group are set out in note 28 to the consolidated financial statements.

SIGNIFICANT INVESTMENTS

During the Year, the Group did not have any significant investments (2024: Nil).

FUTURE PLANS RELATING TO MAJOR INVESTMENT OR CAPITAL ASSET

The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities and expand its mineral resources in order to broaden the revenue base of the Group, enhance its future financial performance and profitability. We are confident in the future and committed to bolstering the continuous growth of the Group. The Group expects to utilize cash generated from operating activities, bank financing, and funds from other financing channels to fund our capital expenditures, working capital, and other financing requirements.

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITIONS AND DISPOSALS

On 19 April 2024, Perfect Start Development Limited (a direct wholly-owned subsidiary of the Company, as the Vendor) and Inner Mongolia Shengli Civil Explosives Co., Ltd. (內蒙古生力民爆股份有限公司) (a substantial shareholder of certain indirect non-wholly owned subsidiaries of the Company, as the Purchaser) entered into the equity transfer agreement pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the sale shares, being 40% of the issued shares of Pizu International Limited, for a consideration of RMB50 million (equivalent to approximately HK$54.15 million). For details, please refer to the Company's announcement dated 19 April 2024, supplemental announcement dated 23 April 2024 and the note 32 to the consolidated financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the equity of the Group amounted to approximately RMB2,175.49 million (2024: RMB1,691.69 million). Current assets amounted to approximately RMB1,305.11 million (2024: RMB939.69 million) of which approximately RMB632.55 million (2024: RMB223.78 million) were cash and cash equivalents and approximately RMB236.09 million (2024: RMB289.73 million) were inventories and other receivables, prepayments and deposits. The Group's current liabilities amounted to approximately RMB1,601.30 million (2024: RMB1,891.82 million).

GEARING RATIO

As at 31 March 2025, the Group's gearing ratio, calculated as total debts of approximately RMB2,427.92 million (2024: RMB2,234.82 million) divided by total assets of approximately RMB4,603.41 million (2024: RMB3,926.50 million) was 52.74% (2024: 56.92%).

CHARGE OF ASSETS

The charge of assets of the Group is covered in note 28 to the consolidated financial statements.

CAPITAL COMMITMENT

As at 31 March 2025 and 2024, the Group's capital commitments are set out in note 39 to the consolidated financial statements.

FOREIGN CURRENCY RISK AND ANY RELEVANT ELIMINATION

Since most of the income and expenses as well as assets and liabilities of the Group are denominated in Renminbi and to a lesser extent in Tajikistani Somoni and Kyrgyzstani Som, the Board considers that the Group has no material foreign exchange exposure and no hedging policy has been taken.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any material contingent liabilities (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

During the Year, no interim dividend (2024: Nil) was declared and paid.

The Board recommends the payment of final dividend of HK$0.015 per share (2024: HK$0.01 per share) in respect of the Year (the "Proposed Final Dividend"). The Proposed Final Dividend, if approved, shall be payable on Friday, 5 December 2025 and is subject to the approval of the shareholders of the Company at the annual general meeting of the Year ("2025 AGM"). The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 9 October 2025 will be entitled to the Proposed Final Dividend.

HUMAN RESOURCES

As at 31 March 2025, the Group employed a total of 1,111 (2024: 1,069) full time employees in the PRC, Tajikistan and Hong Kong. Staff remuneration packages are determined with reference to prevailing market rates. Staff benefits include Mandatory Provident Fund retirement benefits scheme for its employees in Hong Kong, welfare schemes as required by the applicable laws and regulations in the PRC and Tajikistan for employees in the PRC and Tajikistan respectively, personal insurance and discretionary bonus which are based on their performance and contribution to the Group. The Company has adopted the share award scheme (the "Share Award Scheme") to provide remuneration to its employees and directors of the Group as detailed in the Company's announcement dated 8 July 2019. The Share Award Scheme has expired in July 2024.

We attach great importance to the growth and development of our staff. To promote the Group's talent pipeline construction, we provide diverse training and learning opportunities to improve the overall quality and professional skills of our employees, working together to achieve strategic goals and sustainable development.

RESOURCE AND RESERVE

ANHUI JINDING

LICENCES

Anhui Jinding holds the mining license to operate the Huangtun pyrite and copper-gold polymetallic mining operation. The current license was issued in March 2016 and is valid until August 2043. The mining license could be renewed according to mining regulations. It covers 1.304 square kilometers with an elevation range from 13 m above sea level (ASL) down to 460 m below sea level (BSL).

OPERATIONS

During financial year ended 31 March 2025 ("FY2025"), a total of 960,943 tonnes of ores have been mined out, including 779,087 tonnes of copper-gold ores with an average grade of 0.66 g/t Au and 0.39% Cu, 81,062 tonnes of sulfur ores with an average grade of 19.57% S, 0.29 g/t Au and 0.06% Cu, and 100,794 tonnes of magnetite ores with an average grade of 20.98% Fe, 0.34 g/t Au and 0.32% Cu. Including the unprocessed stockpile from the previous financial year, a total of 1,001,309 tonnes of ore was milled and processed in FY2025 at an average grade of 8.45% S, 0.36% Cu, 0.60 g/t Au and 15.14% Fe. Products produced include 19,111 tonnes of copper-gold concentrate at an average grade of 16.75 g/t Au and 16.72% Cu, 163,118 tonnes of S concentrate at an average grade of 45% S, and 9,080 tonnes of magnetite concentrate at an average grade of 63% Fe. Additionally, as of March 31, 2025, the gold extraction workshop ("GEW") had produced approximately 850 kg of 20% gold-containing sludge product from the calcined slag (iron concentrate enriched with recoverable gold).

EXPLORATION

During the FY2025, Anhui Jinding has drilled 3 surface drillholes and 113 underground drillholes for the purpose of production exploration (preparation for mining production and reconciliation), totaling about 12,200 m. Anhui Jinding's geologists performed logging and sampling, and the samples were all sent to its laboratory for chemical assay.

MINERAL RESOURCES

John Boyd Mining Consulting (Beijing) Company Limited ("BOYD") has collected and reviewed all available exploration data up to 31 March 2025. A resource model was established based on data from 110 surface drillholes, 67 underground drillholes and 94 underground grooving after data validation.

The Mineral Resources within current Mining License area (and within the permitted mining elevation range) are reported in accordance with JORC Code (2012 Edition) and are presented in tables below. BOYD used metal equivalent to outline the mineralized body in the Huangtun Pyrite Mine.

RESOURCE AND RESERVE

Mineral Resources Statement of Huangtun Pyrite Mine as of 31 March 2025

Category	Equivalent Cut-off Grade %	Tonnage (Mt)	TS (%)	Cu (%)	Au (g/t)
West Zone – Gold-Copper					
Resources – Measured	Cu: 0.25	9.00	7.34	0.31	0.84
Resources – Inferred	Cu: 0.25	2.20	5.54	0.26	1.75
Total	**Cu: 0.25**	**11.20**	**6.99**	**0.30**	**1.02**
East Zone – Pyrite					
Resources – Measured	S: 12	0.35	20.76	0.30	0.18
Resources – Indicated	S: 12	18.54	20.03	0.07	0.08
Resources – Inferred	S: 12	8.97	18.16	0.03	0.09
Total	**S: 12**	**27.86**	**19.44**	**0.06**	**0.08**

Note:

1. Figures may not be added due to roundings.
2. The Mineral Resources are inclusive of Ore Reserves.
3. Estimated tonnage basis: Resources – In Place.

According to the ore body model, the Cu-Au ore body extends westward beyond the mine boundary. There is an additional 5.96 Mt of Cu-Au ore at a grade of 7.28% Ts, 0.31% Cu, and 0.95 g/t Au outside the boundary.

The information in annual report which relates to Mineral Resources is based on information compiled by Mr. Rongjie Li, Mr. Jisheng Han and Mr. Ronald L. Lewis who are full-time employees of BOYD. They are Registered Members of the Society for Mining, Metallurgy, and Exploration, Inc., and are qualified as a Competent Person as defined in the JORC Code and HKEx Chapter 18 requirements. Messrs. Li, Han, and Lewis consent to the reporting of this information in the form and context in which it appears.

ORE RESERVES

The mine is in a full production stage at the date of this annual report. Mining rate has been achieved about 3,000 tonnes per day (tpd). The mining production and underground development have been contracted to two subcontractors with supervision of Jinding's mining team.

The geotechnical conditions are classified to be moderate. The water regime of the mine area is complex. BOYD noted that Jinding and subcontractors have made various endeavors to ensure secured mining operation. The current underground development included above 50 m intervals from Level –390m, up to –340m, –290m, –240m, –190m and –140m, with sub-levels with 15-20 m intervals.

RESOURCE AND RESERVE

The mining methods include overhand post pillar mining, overhand cut and fill mining and overhand drift and fill mining. The mining cycle includes drilling, blasting, ventilation, scaling, mucking and filling. Excavation of ore starts from the bottom slice, advancing upward in 3.5 or 4.0 m vertical (slices) intervals. A HT81A drill rig is used to drill 3.5m long horizontal 43 mm diameter blastholes. The burden is 1m and the spacing interval is 1.2m. Non-electric detonators are used for initiating of emulsion explosives.

The Ore Reserve statement is presented in table below.

Ore Reserve Statement of Huangtun Mine as of 31 March 2025

Category	Equivalent Cut-off Grade%	Tonnage (Mt)	TS (%)	Cu (%)	Au (g/t)
West Zone – Gold-Copper					
Reserves – Probable	Cu: 0.44	7.72	7.48	0.31	0.81
East Zone – Pyrite					
Reserves – Probable	S: 21.8	6.57	21.21	0.11	0.11

Note:

1. The Mineral Resources are inclusive of Ore Reserves.

2. Estimated tonnage basis: Reserves – ROM (5% mining dilution and 5% mining loss)

The information in annual report which relates to Ore Reserves is based on information compiled by Mr. Rongjie Li, Mr. Jisheng Han and Mr. Ronald L. Lewis who are full-time employees of BOYD. They are Registered Members of the Society for Mining, Metallurgy, and Exploration, Inc., and are qualified as a Competent Person as defined in the JORC Code and HKEx Chapter 18 requirements. Messrs. Li, Han, and Lewis consent to the reporting of this information in the form and context in which it appears.

RESOURCE AND RESERVE

The aggregate mining rate for the East and West Zones is 1.0 Mtpa ore. The current underground development has reached six levels, which supports a mine production schedule for 15 years life of mine ("LoM") until 2040, shown in table below.

Proposed Life of Mining Schedule

Financial Year	Output (Mt)	Cu-Au Ore Tonnage (Mt)	Quality			S Ore Tonnage (Mt)	Quality		
			Cu (%)	Au (g/t)	S (%)		Cu (%)	Au (g/t)	S (%)
2026	1.00	0.82	0.42	0.82	7.07	0.18	0.09	0.06	22.84
2027	1.00	0.82	0.31	0.78	6.84	0.18	0.09	0.06	22.84
2028	1.00	0.82	0.34	0.76	7.57	0.18	0.09	0.06	22.84
2029	1.00	0.82	0.26	0.71	7.96	0.18	0.10	0.07	22.44
2030	1.00	0.82	0.30	0.67	7.63	0.18	0.12	0.09	21.26
2031	1.00	0.82	0.33	0.74	7.50	0.18	0.12	0.09	21.26
2032	1.00	0.82	0.24	0.72	7.62	0.18	0.12	0.09	21.26
2033	1.00	0.82	0.27	1.00	7.86	0.18	0.12	0.09	21.26
2034	1.00	0.82	0.34	1.04	7.41	0.18	0.12	0.09	21.26
2035	1.00	0.34	0.31	0.90	7.12	0.66	0.10	0.11	21.23
2036	1.00	–	–	–	–	1.00	0.08	0.10	20.51
2037	1.00	–	–	–	–	1.00	0.13	0.19	17.72
2038	1.00	–	–	–	–	1.00	0.14	0.11	22.43
2039	1.00	–	–	–	–	1.00	0.10	0.10	22.84
2040	0.29	–	–	–	–	0.29	0.10	0.10	21.75

RESOURCE AND RESERVE

TIBET TIANREN

LICENCE

Tibet Tianren Mining Company Limited ("Tibet Tianren") holds the mining licence to operate the Bangpu molybdenum-copper project. The current licence was issued in October 2024 and is valid until October 2047. It covers 2.4189 square kilometres with an elevation range from 5,200 m ASL down to 4,000 m ASL.

In addition, Tibet Tianren holds an exploration licence adjacent to the mining licence. The exploration area is in the west.

EXPLORATION

During the FY2025, Tibet Tianren has drilled 3 surface drillholes, totaling about 2,009 m. Historic exploration in the current mining licence area was done prior to 2011 and Tibet Tianren carried out systematic exploration and data compilation in 2022. A total of 13 boreholes were drilled in 2022, with an aggregate length of about 7,300 m, including a hydrogeological hole of 555 m.

Tibet Tianren compiled and reviewed the historical data, and the valid database consists of 82 drillholes with a total of 27,866 samples available at the Project.

MINERAL RESOURCE ESTIMATION

Mineral Resource Estimation for the Bangpu Project within current mining licence area was done by BOYD. A cut-off grade of 0.03% Mo or 0.2% Cu was considered for "reasonable prospects for economic extraction" and the elevation limit above 4,000 m ASL was applied. As of 31 March 2025, the Mineral Resources at the Bangpu Project (within mining licence area) were reported in accordance with JORC Code (2012 edition); including about 79.44 million tonnes (Mt) of Measured Resources with an average grade of 0.200% Cu and 0.071% Mo, about 547.70 Mt of Indicated Resources with an average grade of 0.205% Cu and 0.063% Mo, and about 81.51 Mt Inferred Resources with an average grade of 0.194% Cu and 0.062% Mo.

Mineral Resource Statement, as of 31 March 2025

Category	Equivalent Cut-off Grade%	Tonnage (Mt)	Mo (%)	Cu (%)
Resources – Measured	Mo: 0.03 Or Cu: 0.2	79.44	0.071	0.200
Resources – Indicated	Mo: 0.03 Or Cu: 0.2	547.70	0.063	0.205
Resources – Inferred	Mo: 0.03 Or Cu: 0.2	81.51	0.062	0.194
Total	**Mo: 0.03 Or Cu: 0.2**	**708.65**	**0.063**	**0.203**

Note:

1. Figures may not be added due to roundings.

2. The Mineral Resources are inclusive of Ore Reserves.

3. Estimated tonnage basis: Resources – In Place

RESOURCE AND RESERVE

The information in annual report which relates to Mineral Resources is based on information compiled by Mr. Rongjie Li, Mr. Jisheng Han and Mr. Ronald L. Lewis who are full-time employees of BOYD. They are Registered Members of the Society for Mining, Metallurgy, and Exploration, Inc., and are qualified as a Competent Person as defined in the JORC Code and HKEx Chapter 18 requirements. Messrs. Li, Han, and Lewis consent to the reporting of this information in the form and context in which it appears.

ORE RESERVE

A feasibility study named as "Feasibility Study Report on the Mo (Cu) Polymetallic Project of Mining, Processing and Tailings in Bangpu Mining Area", (hereinafter referred as FS) was prepared by Sichuan Metallurgical Design & Research Institute (hereinafter referred as the "Sichuan Institute"), and dated in October 2022.

The final open pit proposed in the FS reached outside of mining licence boundary at west. Additional exploration work has been performed after completion of FS. The latest Mineral Resource estimate was conducted by BOYD based on both the old and new data. At the date of this annual report, Ore Reserve was estimate by BOYD based on the FS and BOYD's modifications. Ore Reserve statement is shown in table below.

Ore Reserve Statement, as of 31 March 2025

Category	Equivalent Cut-off Grade%	Tonnage (Mt)	Mo (%)	Cu (%)
Reserves – Probable	Mo: 0.067	122.90	0.079	0.221

Note:

1. The Mineral Resources are inclusive of Ore Reserves.

2. Estimated tonnage basis: Reserves – ROM (5% mining dilution and 5% mining loss)

The information in annual report which relates to Ore Reserves is based on information compiled by Mr. Rongjie Li, Mr. Jisheng Han and Mr. Ronald L. Lewis who are full-time employees of BOYD. They are Registered Members of the Society for Mining, Metallurgy, and Exploration, Inc., and are qualified as a Competent Person as defined in the JORC Code and HKEx Chapter 18 requirements. Messrs. Li, Han, and Lewis consent to the reporting of this information in the form and context in which it appears.

MINING

Trial mining was conducted in a very short period of few months in 2006. No further mining was conducted in the following years. Bangpu Mine officially started mine construction in March 2025 and the construction project is expected to be completed by the end of 2027.

Based on current feasibility study, the Project will be exploited as an open pit mine due to shallow overburden and hundreds of meters thick orebody. The annual production capacity for the open pit mining will be 6.0 Mt ore.

Conventional drill-blast-load-haul mining cycle is assumed to move rocks within the open pit. The bench is designed with 15 m high. Drill rig YZ-35D was proposed to drill vertically in the rock to generate blast holes to charge with explosives. Emulsion explosives were proposed to break rocks due to existing of groundwater. Shovel WK-10 was proposed to load blasted materials to rubber-tired trucks TR-100.

PROCESSING

A feasibility study for the processing plant was carried out in 2010 and Sichuan Institute was commissioned to update and optimize the feasibility study.

The ore belongs to porphyry type molybdenum (copper) ore, the main copper bearing mineral is chalcopyrite, the main molybdenum ore is molybdenite. The designed capacity of ROM treatment is 6 Mtpa (including 5 Mtpa of industrial ore and 1 Mtpa of low-grade ore), with 300 working days per year and 20,000 t per day.

The design adopts the process of coarse crushing +SABC grinding circuit and the flotation process of "Mo preferential flotation – Mo rough concentrate regrinding separation – recover Cu from Mo flotation tailings", and the products are Mo concentrate and Cu concentrate. The designed Mo concentrate grade is 53% with a Mo recovery rate of 84.50%, and Cu concentrate grade is 22% with a Cu recovery rate of 91.00%.

TAILINGS

Tailings will be transported from the concentrator to the tailings storage facilities (TSF) by self-flow pipeline using wet discharge scheme. The designed dam is with a height of 160m, with total storage capacity of about 96.79 million m^3. The service life of TSF is designed 14 years, as a second-class TSF.

ENVIRONMENTAL AND SOCIAL

The Bangpu Project is located in Mozhugongka County, Tibet Autonomous Region. The general surrounding land of the mine site is pastures. The EIA approval requires the company to enhance its understanding of Tibetan socio–economic and historical culture, and to respect the lifestyle and religious beliefs of the local people.

An "Environment Impact Assessment Report on the Mo (Cu) Polymetallic Project of Mining, Processing and Tailings in Bangpu Mining Area" (EIA) was prepared by Chongqing Shengxiyi Ecological Environment Consulting Service Co, LTD, and dated in January 2024. The EIA has be approved by the authorities in June 2024.

SUMMARY OF EXPENDITURE

During the Year, the expenditures of exploration, development and mining activities are summarised in the following table:

Project	**Exploration**	**Development**	**Mining**
	RMB'000	RMB'000	RMB'000
Anhui Jinding	1,464	4,566	42,362
Tibet Tianren	23,662	–	–

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance by establishing formal and transparent procedures to protect the interests of the shareholders of the Company. To the best knowledge of the Board, the Company had throughout the Year complied with the principles and code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the following deviations:

Code	**Provisions Considered**	**Deviation**	**Reason for deviation**
C.1.6	Generally, independent non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of the Company's shareholders.	Almost all the executive directors and independent non-executive directors attended the annual general meeting of the Company held on 20 September 2024, except Ms. Ma Ye and Ms. Zhang Jinghua.	Ms. Ma Ye and Ms. Zhang Jinghua were unable to attend the general meeting due to other business commitments.
C.1.8	An issuer should arrange appropriate insurance cover in respect of legal action against its directors.	During the Year and as at the date of this annual report, the Company does not have insurance cover in respect of legal action against the Directors.	The Board is of the view that the Group has an established and efficient risk management and internal control system which could effectively minimise the Directors' risks of being sued or getting involved in litigations in their capacity as a Director. Nevertheless, as part of the Group's risk management and internal control procedures, the Board will review the need for insurance cover from time to time.
C.2.1	The roles of chairman and chief executive should be separate and should not be performed by the same individual.	Mr. Ma Tianyi is both the Chief Executive Officer and Chairman.	The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same individual can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business strategies. Nevertheless, the Board will review the current corporate governance structure of the Group from time to time. If any candidate with suitable knowledge, skills and experience can be identified within or outside the Group, the Company may consider to make necessary arrangements.

CORPORATE GOVERNANCE REPORT

COMPLIANCE OF CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Appendix C3 to the Listing Rules ("Model Code"). The Company also had made specific enquiry with all the Directors and all of them confirmed that they had fully complied with the required standards set out in the Company's code of conduct regarding directors' securities transactions during the Year. Additionally, other employees of the Group who are likely to be in possession of inside information of the Company are also subject to the same dealing restrictions.

BOARD OF DIRECTORS

The Board collectively oversees the management and operation of the Group and held meetings regularly during the Year to discuss the operation strategy and financial performance of the Group, while the senior management of the Group are responsible for the supervision and day-to-day management and operation of the Group and the execution of the plans of the Group as approved by the Board.

Board Composition

The Directors who held office during the Year and as at the date of this annual report are as follows:

Executive Directors

Mr. Ma Tianyi *(Chairman and Chief Executive Officer)*
Mr. Liu Fali *(Chief Operating Officer)*
Ms. Qin Chunhong
Ms. Ma Ye
Mr. Ma Yong

Independent Non-executive Directors

Mr. Li Xu
Mr. Ha Suoku
Mr. Hu Jingqiang *(appointed on 28 February 2025)*
Ms. Zhang Jinghua *(resigned on 28 February 2025)*

Save that (i) Mr. Ma Tianyi is the son of Mr. Ma Qiang, who was the former executive Director and Chairman of the Board, (ii) Mr. Liu Fali is the cousin of Mr. Ma. Qiang and the uncle of Mr. Ma Tianyi, (iii) Ms. Ma Ye is the aunt of Mr. Ma Tianyi, the younger sister of Mr. Ma Qiang and the cousin of Mr. Liu Fali, and (iv) Mr. Ma Yong is the uncle of Mr. Ma Tianyi and the cousin of Mr. Ma Qiang, Mr. Liu Fali and Ms. Ma Ye, there are no relationships, including financial, business, family or other material relationships, among members of the Board.

The biographical details of the Directors and other senior management are set out on pages 32 to 35 of this annual report.

Appointment and Re-election of Directors

Each of the Directors (including independent non-executive Directors) has entered into a service agreement or letter of appointment with the Company for a term of one to three year(s). According to article 83(3) of the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

Also according to article 84(1) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Article 84(2) further provides that a retiring Director shall be eligible for re-election and any further Directors so to retire shall be subject to retirement by rotation who have been longest in office since their last re-election or appointment.

Directors' Responsibilities

The main responsibilities of the Board are set out below:

- to implement the resolutions of the general meetings;
- to formulate the Company's business plans and investment plans;
- to formulate the Company's annual budgets and financial policies;
- to report its work in general meetings, to submit reports to regulatory authorities, and to disclose information in accordance with statutory requirements; and
- the daily operation and management of the Company, in which the Board formulates the Company's overall policies and plans, and regularly monitors and supervises their implementation by the executive Directors and the senior management.

There are clearly defined authorities and duties for the management, for example periodic reporting to the Board, and specified matters that require prior approval by the Board before their implementation, including matters such as the establishment of internal management structure and the appointment and re-designation of the senior managements, while the management is entrusted with appropriate delegation to ensure normal functioning of the Company.

Board Independence

The Board has established mechanisms to ensure independent views and input from individual Director are conveyed to the Board to enhance the objectiveness in the Board's decision-making process. The Company has adopted the following mechanisms:

1. as at the date of this annual report, the Board consists of eight Directors and three of them are independent non-executive Directors, which complies with the requirements of the Listing Rules that the Board must have at least three independent non-executive Directors representing at least one-third of the Board;

2. on an annual basis, all independent non-executive Directors are required to confirm in writing their compliance of independence requirements pursuant to Rule 3.13 of the Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments;

3. the nomination committee of the Company assesses the independence of the independent non-executive Directors and review their annual confirmations on independence;

4. external independent professional advice is available as and when required by individual Directors at the Company's expense; and

5. all Directors are encouraged to speak freely and express their views without influence from other Directors during the Board meetings and/or Board committee meetings.

The Board shall convene meetings at least four times every year (basically once every quarter). Extraordinary general meetings shall be convened under special circumstances or to decide on important issues. If the Directors are not able to attend a meeting to be held at the designated place, the meeting may be held by means of a telephone conference, and thereby facilitates and enhances the attendance of Directors at the Board meeting. If an independent non-executive Director is unable to attend a meeting for some reasons, the Company will seek their opinion in advance on the issues to be discussed in the meeting.

The Board is responsible for the performance of the following corporate governance duties:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and

(e) to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the Year, the Company held six Board meetings (excluding Board committee meetings) and one general meeting with an average attendance rate of 100% and approximately 75%, respectively. Details of the attendance of the Board of Directors for the Year are as follows:

	Board meeting	**General meeting**
Total number of Board meetings held	6	1
Name of the Directors	**Attended/Eligible to attend**	
Executive Directors		
Mr. Ma Tianyi	6/6	1/1
Mr. Liu Fali	6/6	1/1
Ms. Qin Chunhong	6/6	1/1
Ms. Ma Ye	6/6	0/1
Mr. Ma Yong	6/6	1/1
Independent non-executive Directors		
Mr. Li Xu	6/6	1/1
Mr. Ha Suoku	6/6	1/1
Mr. Hu Jingqiang *(appointed on 28 February 2025)*	0/0	0/0
Ms. Zhang Jinghua *(resigned on 28 February 2025)*	6/6	0/1

Independence of the Independent Non-executive Directors

The Company has received, from each of the independent non-executive Directors, an annual confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules and accordingly, the Company considers that all of the independent non-executive Directors remain independent. As at the date of this report, the Company is not aware of the occurrence of any event which would cause it to believe that the Directors' independence has been impaired.

Directors' training is an ongoing process. During the Year, the Directors received regular updates on changes and developments of the Group's business and to the legislative and regulatory environments in which the Group operate. All Directors are also encouraged to attend relevant training courses at the Group's expense.

During the Year, the Directors participated in the kinds of training in compliance with code provision C.1.4 of the Code as follows:

Name of the Directors	Reading journals, written training materials and/or updates	Attending courses, seminars, conferences and/or forums	Receiving briefings from Chief Financial Officer, Company Secretary and/or other executives
Executive Directors			
Mr. Ma Tianyi *(Chairman and Chief Executive Officer)*	✓	✓	✓
Mr. Liu Fali *(Chief Operating Officer)*	✓	✓	✓
Ms. Qin Chunhong	✓	✓	✓
Ms. Ma Ye	✓	✓	✓
Mr. Ma Yong	✓	✓	✓
Independent non-executive Directors			
Mr. Li Xu	✓	✓	✓
Mr. Ha Suoku	✓	✓	✓
Mr. Hu Jingqiang *(appointed on 28 February 2025)*	✓	✓	✓
Ms. Zhang Jinghua *(resigned on 28 February 2025)*	✓	✓	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual in order to maintain a clear division of responsibilities and ensure a balance of power and authority for the prevention of the concentration of power.

Mr. Ma has been the Chairman and the Chief Executive Officer of the Company, which constitutes a deviation from code provision C.2.1 of the Code. Despite the concentration of powers, the Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same individual can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business strategies.

REMUNERATION COMMITTEE

A remuneration committee of the Company (the "Remuneration Committee") has been established with specific written terms of reference which deal clearly with its authority and duties in compliance with code provision E.1.2 of the Code. The Remuneration Committee is responsible for reviewing and developing the remuneration policies of the Directors and senior management to make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and the senior management. The Remuneration Committee has adopted the approach under E.1.2(c)(ii) of the code provisions of the Code to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. As at 31 March 2025, the Remuneration Committee comprises three independent non-executive Directors and one executive Director, namely Mr. Hu Jingqiang (appointed on 28 February 2025), Mr. Ha Suoku, Mr. Li Xu (re-designated as Chairperson on 28 February 2025) and Ms. Qin Chunhong, respectively. The Remuneration Committee has been chaired by Mr. Li Xu (redesignated as chairman on 28 February 2025). The Board has adopted a set of the revised terms of reference of the Remuneration Committee which are aligned with the provisions set out in the Code. The terms of reference of the Remuneration Committee setting out its authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

During the Year, the Remuneration Committee held one meeting. Details of the attendance of the Remuneration Committee for the Year are as follows:

Total number of meetings held	1

Name of members	**Attended/Eligible to attend**
Mr. Li Xu *(Chairperson, re-designated on 28 February 2025)*	1/1
Ms. Qin Chunhong	1/1
Mr. Ha Suoku	1/1
Mr. Hu Jingqiang *(appointed on 28 February 2025)*	0/0
Ms. Zhang Jinghua *(Chairperson, resigned on 28 February 2025)*	1/1

During the Year, the Remuneration Committee has reviewed and assessed the performance of the executive Directors, made recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and the senior management, and considered and reviewed the existing terms of employment contracts of the executive Directors, senior management and appointment letters of independent non-executive Directors and is of opinion that their respective engagement matters are fair and reasonable.

No material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Year.

DIRECTORS' REMUNERATION

During the Year, total Directors' remuneration amounted to approximately RMB4.27 million (2024: RMB2.59 million). Details of the remuneration of the Directors for the Year are set out in note 9 to the consolidated financial statements. For the year ended 31 March 2025, none of the Directors has agreed with the Company to waive any remuneration.

AUDITORS' REMUNERATION

The Shareholders approved the resolution for the re-appointment of BDO Limited as the auditor of the Company for the year ended 31 March 2025 and authorizing the Board to determine its remuneration at the annual general meeting of the Company held on 20 September 2024. During the Year, details of the audit and non-audit services provided by the auditor to the Group are as follows.

Audit Service	The total fee charged for the audit of the Group's financial statements for the year ended 31 March 2025 was HK$2,830,000.
Non-audit Service	The total fee charged for providing the agreed-upon-procedures in respect of the Company's preliminary results announcement was HK$10,000; the fee for issuing comfort letters regarding profit and cash flow forecasts and the adequacy of working capital, as well as other professional services related to the transfer of listing of the Company's shares from GEM to the Main Board was HK$850,000.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Each of the Directors understands and acknowledges his/her responsibility for the preparation of the consolidated financial statements, which give a true and fair view of the financial position and the financial performance of the Group in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance (Cap.622). The external auditor of the Company acknowledge their reporting responsibilities in the auditor's report on the consolidated financial statements for the Year.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern and the Directors have prepared the consolidated financial statements on a going concern basis.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 3.21 to 3.23 of the Listing Rules and code provisions D.3.1 to D.3.7 of the Code. The primary duties of the Audit Committee are, among others, to review and supervise the financial reporting processes and internal control procedures of the Group and to provide advice and comments to the Board accordingly. As at 31 March 2025, the Audit Committee consists of the three independent non-executive Directors of the Company, namely Mr. Ha Suoku, Mr. Li Xu and Mr. Hu Jingqiang (appointed on 28 February 2025). The Audit Committee has been chaired by Mr. Li Xu whom has appropriate professional qualifications and experience in financial matters.

During the Year, the Audit Committee held two meetings and performed duties including reviewing the Group's annual report, half-yearly report and results announcements.

Details of the attendance of the Audit Committee for the Year are as follows:

Total number of meetings held	2

Name of members	**Attended/Eligible to attend**
Mr. Li Xu *(Chairperson, re-designated on 28 February 2025)*	2/2
Mr. Ha Suoku	2/2
Mr. Hu Jingqiang *(appointed on 28 February 2025)*	0/0
Ms. Zhang Jinghua *(Chairperson, resigned on 28 February 2025)*	2/2

During the Year and up to the date of this report, the Audit Committee reviewed the interim results and report of the Company for the six months ended 30 September 2024, and the annual report of the Group for the Year. The Audit Committee also reviewed the Group's risk management and internal control system, as well as the effectiveness of the issuer's internal audit function, for the Year. All issues raised by the Audit Committee are addressed and/or dealt with by the relevant member of the management team and the work, findings and recommendations of the Audit Committee are reported regularly to the Board. During the Financial Year, there was no disagreement between the Board and the Audit Committee regarding the external auditor and there was no issue of significant importance requiring disclosure in this report under the Listing Rules. The Group's annual results for the year ended 31 March 2025 had been reviewed by the Audit Committee and it is of the opinion that the consolidated financial statements of the Group for the Year comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made in the annual report of the Group for the Year.

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with code provision B.3.1 of the Code. The primary duties of the Nomination Committee are, among others, reviewing the structure, size and composition and diversity of the Board of Directors on a regular basis (at least once a year) and making recommendations regarding any proposed changes, identifying and recommending individuals suitably qualified to become board members, and assessing the independence of independent non-executive Directors. As at 31 March 2025, the Nomination Committee consists of the three independent non-executive Directors of the Company, namely Mr. Ha Suoku, Mr. Li Xu, Mr. Hu Jingqiang (appointed on 28 Feburary 2025) and one executive director, Ms Qin Chunhong (appointed as member on 28 February 2025). The nomination committee has been chaired by Mr. Ha Suoku.

The Board adopted the nomination policy, which sets out the key selection criteria and nomination procedures of the Nomination Committee in making recommendations to Board on the appointment of Directors and succession planning for Directors. The nomination policy was amended on 27 June 2025. For details, please refer to the Company's terms of reference of the nomination committee.

In assessing the suitability of the candidate to the Board regarding the appointment or re-appointment of any existing Director(s), the Nomination Committee will consider the following factors: (a) commitment for responsibilities of the Board in respect of available time and effort; (b) qualifications, including accomplishment and experience in the relevant industries that the Group's business is involved in; (c) reputation for integrity; (d) experience in the Group's principal business and/or the industry in which the Group operates; (e) (in the case of an independent non-executive Director) independence requirements set out in the Listing Rules; and (f) diversity in aspects including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and the number of directorships in other listed/public companies, and in the case of independent non-executive Directors, the length of service, where an independent non-executive Director serving more than nine years could be relevant to the determination of a non-executive Director's independence.

The Nomination Committee shall convene a meeting to invite nominations of candidates from Directors (if any) or it may also nominate candidates for its consideration. The Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks. Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

During the Year, the Nomination Committee held two meetings. Details of the attendance of the Nomination Committee for the Year are as follows:

Total number meetings held	2

Name of the Directors	**Attended/Eligible to attend**
Mr. Ha Suoku *(Chairperson)*	2/2
Ms. Zhang Jinghua *(resigned on 28 February 2025)*	2/2
Mr. Li Xu	2/2
Mr. Hu Jingqiang *(appointed on 28 February 2025)*	0/0
Ms Qin Chunhong *(appointed as member on 28 February 2025)*	0/0

The Nomination Committee will review the nomination policy periodically to ensure that it fulfils the Company's needs and complies with the regulatory requirements and good corporate governance practice. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established by the Company and the Board is responsible for performing the corporate governance duties according to the code provision A.2.1 of the Code, which include:

(1) developing and reviewing the policies and practices on corporate governance of the Group and making recommendations to the Board;

(2) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(3) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;

(4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to Directors and employees; and

(5) reviewing the Company's compliance with the Code and disclosure in the corporate governance report of the Company.

During the Year, the Board reviewed and monitored the training and continuous professional development of the Directors and company secretary of the Company to comply with the Code and the Listing Rules. Further, the Board also reviewed and monitored the Group's policies and practices on compliance with legal and regulatory requirements. Lastly, the Board reviewed the Company's compliance with the Code and the disclosure of the corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its overall responsibility for the risk management and internal control systems of the Group and for reviewing their effectiveness. The Board is committed to implementing an effective and sound internal control system to safeguard the interests of the Shareholders and the Group's assets. The Group's risk management and internal control systems are, however, designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In order to provide reasonable assurance against significant risks of errors, losses or fraud, the Group has established risk management procedures which comprise the following steps:

- Identification of risks: identify risks that may potentially affect the Group's business and operations.

- Risk evaluation: assess the impact and consequence of the identified risks on the business and the likelihood of their occurrence.

- Risk mitigation: prioritise the risks by comparing the results of risk evaluation and develop effective control activities to prevent, avoid or mitigate the risks.

- Risk monitoring: perform ongoing and regular monitoring of the risk and ensure that appropriate internal control processes are in place.

The Board has conducted a review of the effectiveness of the internal control system of the Group for the Year. The senior management reviews and evaluates the internal control process and monitors any risk factors on an annual basis and reports to the Board and the Audit Committee on any findings and measures to address the variances and identified risks. The Board is satisfied that the internal control and risk management systems are effective and adequate. In addition, the Board has reviewed and is satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions as well as those relating to the Company's ESG performance and reporting. The Board had also reviewed the changes in the nature and extent of significant risks since the last annual review, the ability of the Group to respond to changes in its business and the external environment, the scope and quality of management's ongoing monitoring of risks, the internal control system, and the work of its internal audit function, the significant control failings or weaknesses that have been identified during the year and the extent to which they have resulted in a material impact on the Group's financial performance or condition, the extent and frequency of communication of monitoring results to the Board which enables it to assess control of the Company and the effectiveness of risk management, as well as the effectiveness of the Company's processes for compliance with the Listing Rules.

The Company has established an internal audit department during the Year, which is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

In relation to the handling and dissemination of inside information, the Group has implemented an information disclosure policy to ensure potential inside information is being captured and confidentiality of such information is being maintained until consistent and timely disclosure is made in accordance with the Listing Rules. The key procedures in place include:

- defining the requirements of periodic financial and operational reporting to the Board and the company secretary to enable them to assess inside information and make timely disclosures, if necessary;

- controlling the access to inside information by employees on a need-to-know basis, and safeguarding the confidentiality of the inside information before it is properly disclosed to the public; and

- implementing procedures for communication with the Group's stakeholders, including shareholders, investors, analysts, etc. in ways which are in compliance with the Listing Rules.

The Group has also established and implemented procedures to handle enquiries from external parties related to the market rumours and other Group's affairs. To avoid uneven dissemination of inside information, the dissemination of inside information of the Company shall be conducted by publishing the relevant information on the Stock Exchange's website and the Company's website.

ANTI-CORRUPTION AND WHISTLEBLOWING

The Group adopts a zero-tolerance policy towards all kinds of corruption and bribery in all business dealings of the Group. It is fully committed to conducting business with integrity and in compliance with all applicable laws and regulatory requirements for the prevention of corruption and bribery. Corrupt practices may subject the Group and individual employees to potential criminal and civil liabilities, which may in turn cause substantial impact on the reputation and operation of the Group. The Group sets out the relevant policies in the employee handbook and guide the employees to abide by the code of conduct, which provides a clear definition of the provision and acceptance of interests, such as gifts and souvenirs, and ways to deal with conflicts of interests.

The Group has also set up whistleblowing procedures to encourage the employees and any third parties (including customers and suppliers of the Group) to report any misconduct and dishonest behaviour, such as bribery, fraud and other offences. The Board is of the view that such procedures can provide reporting channels to employees and third parties, and enhance the efficiency in detecting and inhibiting any suspected misconduct, malpractice or irregularity.

COMPANY SECRETARY

Ms. Shen Tianwei ("Ms. Shen") joined the Group in August 2006. The biographical details of Ms. Shen are set out under the section headed "Directors and Senior Management Profile".

Ms. Shen has been informed of the requirement of Rule 3.29 of the Listing Rules, and she confirmed that she had attained no less than 15 hours of relevant professional training during the Year.

DIVIDEND POLICY

The Company has a dividend policy to set out the approach by the Board in recommending dividends, to allow the shareholders of the Company to participate in the Company's profits and for the Company to retain adequate reserves for future growth.

Determination Mechanism: The Board has discretion to declare and distribute dividends to the shareholders of the Company. The Board shall take into account the following factors when considering the declaration and payment of dividends:

- the Group's current and future operations and earnings;
- the Group's liquidity position and future commitments at the time of declaration of dividend;
- any contractual restrictions on payment of dividends by the Company to its shareholders or by the Company's subsidiaries to the Company;

- the retained earnings and distributable reserves of the Company and each of the members of the Group;
- the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- the general market conditions; and
- any other factors that the Board deems appropriate.

Review: The Board reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time, and it shall in no way constitute a legally binding commitment by the Company in respect of its future dividends and/or in no way obligate the Company to declare a dividend at any time or from time to time.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's constitutional documents. Details of such rights to demand a poll and the poll procedures are included in all related circulars to the shareholders and are explained during the proceedings of meetings.

Poll results will be posted on the websites of the Company and the Stock Exchange on the same day of the Shareholders' meeting.

The general meeting of the Company provides a forum for communication between the shareholders and the Board.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including election of individual directors.

The Company continues to enhance communication and relations with its investors. Enquires from investors are dealt with in a timely manner. The Company has reviewed the implementation and effectiveness of the shareholders' communication policy during the Year and considered it to be effective.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy and the Nomination Committee is responsible for monitoring the achievement of the measurable objectives set out in the policy.

In designing the Board's composition, factors including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge will be taken into account by the Nomination Committee. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee shall develop measurable objectives for implementing this policy and make recommendations to the Board. The Nomination Committee shall also review the progress of achieving these objectives as may be adopted by the Board from time to time.

During the Year, the Company has achieved the following measurable objectives for the board diversity policy:

(a) to ensure the appropriate proportion of non-executive Directors or independent non-executive Directors in the Board. In particular, at least one-third of the number of members of the Board shall be independent non-executive Directors;

(b) to ensure at least one-third of the members of the Board members shall have attained bachelor's degree or above;

(c) to ensure at least two members of the Board shall have obtained accounting or other professional qualifications;

(d) to ensure at least two members of the Board shall have more than five years of experience in the industry he/she is specialized in; and

(e) to ensure at least two members of the Board shall have China-related work experience.

During the Year, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The board diversity policy was consistently implemented throughout the Year. As at the date of this annual report, the Board consists of two females and six male Directors. The Board is of the view that the gender diversity in respect of the Board is satisfactory based on the board diversity policy.

The Company is committed to provide equal employment and promotion opportunities for all employees without regard to their genders, ages, religions and place of ancestry. In particular, the male to female ratio in the workforce level (including senior management) is approximately 4:1 as at the date of this annual report. The Board considers that the gender ratio is in line with the industry and the Company has achieved gender diversity in the workforce level. For further details in relation to the Company's employees, please refer to the 2025 Environmental, Social and Governance Report of the Company.

SHAREHOLDER'S RIGHTS

Procedure for the Shareholders to convene an extraordinary general meeting

Pursuant to article 58 of the articles of association of the Company, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The procedures by which enquiries may be put to the Board and sufficient contact details to enable these enquiries to be properly directed

The Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong at Unit 07, 21/F, Shun Tak Centre West Tower, 168-200 Connaught Road Central, Sheung Wan, Hong Kong by post for the attention of the Board.

Procedures and sufficient contact details for putting forward proposals at the shareholders' meetings

The shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at the shareholders' meeting. Proposal shall be sent to the Board by written requisition. Pursuant to the articles of association of the Company, the shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures as set out in the paragraph headed "Procedure for the Shareholders to convene an extraordinary general meeting" above.

INVESTOR RELATIONS

The Company has established a number of channels for maintaining an on-going dialogue with the shareholders as follows: (a) corporate communications such as announcements, annual reports, interim report and circulars are published and available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.pizugroup.com; (b) corporate information is made available on the Company's website; (c) general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management, and the poll results of the general meetings are published on the websites of the Company and the Stock Exchange; and (d) the Company's share registrars serve the shareholders in respect of share registration, dividend payment, change of the shareholders' particulars and related matters. Based on the Company's review of the initiatives taken by the Company, it is of the view that the implementation of the Shareholders' communication policy is satisfactory and effective during the Financial Year.

CONSTITUTIONAL DOCUMENTS

For the purposes of, among other things, bringing the articles of association (the "Existing M&A") in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and relevant amendments made to the GEM Listing Rules which took effect from 31 December 2023 and the applicable laws of the Cayman Islands, the Board proposed to make certain amendments to the Existing M&A (the "Proposed Amendments") and adopt the second amended and restated memorandum and articles of association of the Company (the "New M&A") incorporating and consolidating all the Proposed Amendments, in substitution for, and to the exclusion of, the Existing M&A. The Proposed Amendments and the proposed adoption of the New M&A were approved by Shareholders at the annual general meeting of the Company held on 20 September 2024. For details, please refer to the Company's circular dated 8 July 2024. The latest memorandum of association and articles of association of the Company are available on both the websites of the Company and the Stock Exchange.

CONCLUSION

The Company believes that good corporate governance is significant in maintaining investor confidence and attracting investment. The management will devote considerable effort to strengthen and improve the standards of the corporate governance of the Group.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. Ma Tianyi (馬天逸), aged 30, is an executive Director, chairman, chief executive officer and one of the authorised representative during the Year. He joined the Group on 1 March 2017 as an executive Director and has been appointed as the chief executive officer of the Company on 1 May 2021. He has also been appointed as the Chairman of the Board and authorised representative from 1 February 2023. He is a director of Shiny Ocean Holdings Limited ("Shiny Ocean") since January 2018. He graduated from Downing College, University of Cambridge in June 2016 with a Bachelor's Degree in Arts, specializing in Natural Sciences Tripos and obtained the qualification on Master of Business Administration from the University of Hong Kong in 2020.

Mr. Ma Tianyi is the son of Mr. Ma Qiang, who was the former executive Director and former chairman of the Board. Mr. Ma Tianyi is also the nephew of Mr. Liu Fali, an executive Director and the Chief Operating Officer of the Company, the nephew of Ms. Ma Ye, an executive Director and the nephew of Mr. Ma Yong, an executive Director.

Mr. Liu Fali (劉發利), aged 49, is an executive Director, the Chief Operating Officer and vice president of the Company. He is a senior blasting engineer. Mr. Liu is a director of certain subsidiaries of the Group. He graduated from Jilin Art Institute 吉林藝術學院 with a bachelor's degree. Mr. Liu has more than 23 years of experience in the civil explosives industry. From October 1997 to March 2000, he worked in 內蒙古東升廟化工廠 (Inner Mongolia Dong Sheng Miao Chemical Factory) (the predecessor of Dongyitai Chemical (as defined below) which was principally engaged in the manufacturing and sale of civil explosives). From March 2000 to April 2006, he was the manager of sales and procurement department of 東升廟伊泰化工有限責任公司 (Dong Sheng Miao Yitai Chemical Co., Ltd.) ("Dongyitai Chemical") in which he was responsible for the sales of civil explosives and procurement for production of civil explosives. From April 2006 to January 2008, he was promoted as the general manager of Dongyitai Chemical. Since January 2008, he worked as a general manager, chairman of the Board 內蒙古盛安化工有限責任公司 (Inner Mongolia Shengan Chemical Limited) ("Shengan Chemical (Inner Mongolia)") in which he was responsible for management, business operation and safety operation. Mr. Liu was the assistant general manager and office supervisor of Shengshi Huaxuan from February 2012 to July 2013. From May 2015 to April 2023, he had been a director and in charge of the Tibet branch of 內蒙聚力工程爆破有限公司 (Inner Mongolia Juli Engineering and Blasting Services Limited). From December 2015 to present, he served as director of Inner Mongolia Juli Engineering and Blasting Services Limited.

Mr. Liu Fali is the cousin of Mr. Ma Qiang, who was the former executive Director and former chairman of the Company. Mr. Liu Fali is also the uncle of Mr. Ma Tianyi, an executive Director, the Chairman of the Board and the Chief Executive Officer of the Company and the uncle of Mr. Ma Yong, an executive Director. He is also the cousin of Ms. Ma Ye, an executive Director.

Ms. Qin Chunhong (秦春紅), aged 52, is an executive Director, vice president, department head of Internal Audit, a member of Remuneration Committee and Nomination Committee and a director of certain subsidiaries of the Group. She joined the Group on 14 December 2012 as an executive Director. Ms. Qin obtained a bachelor's degree in economics from Henan Institute of Finance and Economics in June 2003. In July 2009, she obtained a master's degree in business administration from the School of Business Administration in Peking University. She has been a member of the China Certified Tax Agents Association since September 2009 and a member of the Chinese Institute of Certified Public Accountants since December 2000. Ms. Qin was the chief financial officer of 內蒙古雙利資源(集團)有限責任公司 (Inner Mongolia Shuangli Resources Group Co., Limited) from 2006 to 2009 and the chief financial officer of Western Mining Group (Hong Kong) Company Limited from 2005 to 2006. Since 2013, Ms. Qin has been the chief financial officer of 西藏福德圓實業集團有限公司 (Tibet Fudeyuan Trading Limited).

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Ms. Ma Ye (馬曄), aged 50, is an executive Director. Ms. Ma graduated from Inner Mongolia Higher Education Self-study Examination Chinese Language and Literature Education in 1996. From November 2007 to July 2013, she served as the administrative manager of Shengshi Huaxuan, responsible for daily administrative management and human resources. Since July 2013, she has been the general manager of Shengshi Huaxuan. Since 2016, she has been the chairman of Shenzhen Boyang Electronics Co., Ltd.

Ms. Ma is the aunt of Mr. Ma Tianyi, an executive Director, the Chairman of the Board and the Chief Executive Officer of the Company and the aunt of Mr. Ma Yong, an executive Director. She is the younger sister of Mr. Ma Qiang, who was the former executive Director and former chairman of the Company. And she is the cousin of Mr. Liu Fali, an executive Director and chief operating officer of the Company.

Mr. Ma Yong (馬永), aged 42, is an executive Director. He joined the Group on 14 April 2023 as an executive Director. Mr. Ma graduated from Wuhan Institute of Technology* (武漢工業學院) (currently known as Wuhan Polytechnic University (武漢輕工大學)) in PRC in June 2006 with a bachelor's degree of management. Mr. Ma obtained licence of human resources* (人力資源師) in February 2005, he has also passed the qualification examination for a tour guide in January 2006, and he was qualified as a junior blasting engineer* (初級爆破工程師) in March 2022. Mr. Ma has over 14 years of experience in corporate management. He has been the general manager of Tajikistan KM MUOSIR since March 2023. During the period of January 2021 to March 2023, he was the general manager of Shenzhen Boyang Science and Training Development Group Co., Ltd.* (深圳市博洋科貿發展集團有限公司); from November 2017 to January 2021, he was employed by Inner Mongolia Juli Engineering and Blasting Services Limited (內蒙聚力工程爆破有限公司) with his last position as the general manager; and from May 2008 to November 2017, he was employed by Hulumbeier Shengshi Mining Investment Co., Ltd.* (呼倫貝爾盛世礦業投資有限公司) with his last position as the general manager.

Mr. Ma is the uncle of Mr. Ma Tianyi, an executive Director, the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Ma is also a cousin of (i) Mr. Ma Qiang, a former executive Director and a former chairman of the Board; (ii) Mr. Liu Fali, an executive Director and the Chief Operating Officer of the Company; and (iii) Ms. Ma Ye, an executive Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS AND AUDIT COMMITTEE

Mr. Ha Suoku (哈索庫), aged 52, has been appointed as an independent non-executive Director, chairperson of Nomination Committee, a member of Audit Committee and Remuneration Committee of the Company with effect from 1 December 2021. He graduated from Department of Economics, Inner Mongolia University in July 1994. He has over 20 years of securities and futures investment experience.

* *For identification purpose only*

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Mr. Li Xu (李煦), aged 51, has been appointed as an independent non-executive Director, and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company with effect from 20 April 2023. Mr. Li has been re-designated as chairperson of Audit Committee and Remuneration Committee with effect from 28 February 2025. Mr. Li received a bachelor's degree in Economics (International Business Management profession) from the University of International Business and Economics in Beijing (北京對外經濟貿易大學) in July 1997, a master degree in Finance from the Boston College in December 1998 and a degree of doctor of philosophy in accounting from Massachusetts Institute of Technology's Sloan School of Management in June 2004.

Between January to August 1999, Mr. Li worked as a financial analyst in Lucent Technologies Inc., a company which was formerly listed on the New York Stock Exchange. Mr. Li served as an assistant professor of The University of Texas at Dallas from July 2004 to August 2010 and was the assistant professor of Lehigh University from August 2010 to June 2012. Mr. Li has been an associate professor of the Faculty of Business and Economics at the University of Hong Kong since July 2012, where he is mainly involved in imparting practical knowledge in the commercial world during the teaching of accounting and financial management courses. He is also currently the program director of executive master of business administration offered by the University of Hong Kong, where he is responsible for project management and promoting accounting, business and finance education towards the development of the business and finance profession and human capital. Mr. Li become a member of the American Accounting Association since September 2002. Since October 2003, he has obtained the Certified Financial Analyst (CFA) qualification from the CFA Institute (formerly known as the Association for Investment Management and Research). Mr. Li serves as an independent non-executive director of China Tianbao Group Development Company Limited (stock code: 1427) since November 2019, China Kangda Food Company Limited (stock code: 834) since August 2020 to July 2023 and China South City Holdings Limited (stock code: 1668) since May 2023, which are all listed on the Stock Exchange. Save as disclosed above, Mr. Li did not hold any directorship in any listed public companies in the past three years.

Mr. Hu Jingqiang (胡敬強), aged 38, has been appointed as an independent non-executive Director, a member of each of Audit Committee, Nomination Committee and Remuneration Committee of the Company with effect from 28 February 2025. Mr Hu graduated from Central South University with a Master's degree in Mining Engineering. Mr. Hu is a senior engineer of mining engineering. From June 2007 to June 2011, he worked at Zijin (Xiamen) Engineering Design Co., Ltd. 紫金(廈門)工程設計有限公司 as the head of the mining profession and a mining design technician. From July 2011 to March 2023, he worked at Sichuan Metallurgical Design and Research Institute 四川省冶金設計研究院 as the Vice President of the Mining Branch. From April 2023 to present, he has been serving as the General Manager of Sichuan Branch of Xinjiang Nonferrous Metallurgy Design and Research Institute Co., Ltd. 新疆有色冶金設計研究院有限公司四川分公司.

SENIOR MANAGEMENT

Mr. Yan Zhihe (閆志賀), aged 59, is the chief engineer of Shengan Chemical (Inner Mongolia) and is responsible for the production technologies, safety, processes and equipment management of the company. Mr. Yan obtained a bachelor's degree majoring in explosives and related technology in 淮南礦業學院 (Huainan Mining Institute) (currently known as 安徽理工大學 (Anhui University of Science & Technology)) in July 1990. He was qualified as a 國家質量工程師 (national quality engineer) and 國家註冊安全工程師 (national certified safety engineer) in December 2002 and January 2006 respectively. From July 1990 and February 2005, he held various positions such as engineer, senior engineer and technical supervisor in 開灤礦務局 (Kailung Coal Mining Bureau), a production base of cleaned coal in the PRC. From February 2005 to April 2007, he worked as an assistant general manager in 承德興湘化工有限公司 (Chengde Xing Xiang Chemical Co., Limited) (currently known as 河北興安民爆有限公司 (Hebei Xingan Civil Explosives Co., Limited), which was then principally engaged in the production of civil explosives. Before he joined the Group in August 2009, he was an assistant general manager of 內蒙古日盛民爆集團有限公司 (Inner Mongolia Ri Sheng Civil Explosives Co., Limited) (which was principally engaged in the production of civil explosives) from April 2007 to July 2009 during which he was responsible for technical support, quality and safety management.

Mr. Song Kaidong (**宋凱東**), aged 41, was appointed as the general manager of Anhui Jinding Mining Co., Ltd. in May 2025, assuming full responsibility for the Jinding Mining's safety production and operational management. Mr. Song Kaidong graduated from the Mining Engineering programme at the University of Science and Technology Beijing in January 2012, obtaining a master's degree and qualification. He holds certifications as a First-grade Certified Constructor (一級建造師) (Mining Engineering), Intermediate Blasting Engineer (中級爆破工程師), and Intermediate Engineer in Mine Geology and Mineral Processing. From January 2012 to August 2013, Mr. Song Kaidong worked at the Economic Operations Department of 新興發展集團有限公司 (Xinxing Development Group Co., Ltd.), primarily responsible for setting task indicators for subsidiary production enterprises and conducting economic analyses of project investments. From September 2013 to October 2015, he worked at 首雲礦業股份有限公司 (Shouyun Mining Co., Ltd.), primarily responsible for technical and quality-related work in mining operations. From November 2015 to July 2019, he served as general manager of 內蒙古聚力工程爆破有限公司西藏分公司 (the Tibet Branch of Inner Mongolia Juli Engineering Blasting Co., Ltd.), primarily responsible for project operations and management. From August 2019 to April 2023, he served as general manager of 陝西小山川礦產資源開發有限公司 (Shaanxi Xiaoshanchuan Mineral Resources Development Co., Ltd.), comprehensively responsible for safety production and operational management. From May 2023 to May 2025, he served as executive vice president of Tibet Tianren Mining Co., Ltd., primarily responsible for mine department operations and handling of mine-related administrative approval procedures.

COMPANY SECRETARY

Ms. Shen Tianwei (MAPAIS, HKICPA, CICPA) (**沈天蔚**), aged 52, is the chief financial officer, company secretary and one of the authorised representatives of the Company. Prior to joining the Group in August 2006, she has over 13 years of auditing, accounting and financial management experience in Big 4 and other sizable corporations. She has a Master degree in Professional accounting and information system from City University of Hong Kong and is an associate member of both the Hong Kong Institute of Certified Public Accountants and Chinese Institute of Certified Public Accountants.

DIRECTORS' REPORT

The Directors present herewith their annual report and the audited consolidated financial statements of the Group for the Year.

BUSINESS REVIEW

A review of the Group's business, description of the principal risks and uncertainties facing by the Group, and discussion on the future development in the Group's business are set out in to the section headed "Management Discussion and Analysis" of this annual report. The financial risk management of the Group is set out in notes 44 and 45 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The principal activity of the Company continued to be investment holding. Details of the principal activities of the Group's subsidiaries are set out in note 47 to the consolidated financial statements.

An analysis of the Group's revenue contributed by its principal activities for the Year are set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The financial performance of the Group for the Year are set out in the consolidated statement of comprehensive income on pages 57 to 58.

The financial position of the Group as at 31 March 2025 are set out in the consolidated statement of financial position on pages 59 to 60.

The Board recommends the payment of final dividend of HK$0.015 per share (2024: HK$0.01 per share) in respect of the Year (the "Proposed Final Dividend"). The Proposed Final Dividend, if approved, shall be payable on Friday, 5 December 2025 and is subject to the approval of the shareholders of the Company at the annual general meeting of the Year ("2025 AGM"). The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 9 October 2025 will be entitled to the Proposed Final Dividend.

As at the date of this report, the Company is not aware of any arrangement whereby any Shareholder has waived or agreed to waive any dividend.

CLOSURE OF REGISTER OF MEMBERS

a. For determining the entitlement of the shareholders to attend and vote at the 2025 AGM

The register of members of the Company will be closed from Tuesday, 9 September 2025 to Friday, 12 September 2025 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 September 2025. The record date for the attending and voting at the meeting is Friday, 12 September 2025.

b. For determining the entitlement to the Proposed Final Dividend

The register of members of the Company will be closed from Monday, 6 October 2025 to Thursday, 9 October 2025 (both days inclusive), during which no transfer of shares of the Company will be effected. In order to qualify to receive the Proposed Final Dividend, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 3 October 2025. The record date for determining the entitlement to the Final Dividend is Thursday, 9 October 2025.

FINANCIAL SUMMARY

A summary of the financial performance and the assets and liabilities of the Group for the last five financial years is set out on page 158 of this annual report. This summary does not form part of the audited consolidated financial statements of the Group for the Year.

RESERVES

Movements in reserves of the Group during the Year are set out in the consolidated statement of changes in equity on pages 63 to 64.

DISTRIBUTABLE RESERVES

As at 31 March 2025 and 2024, the Company's distributable reserves, subject to a solvency test, amounted to approximately RMB804 million and RMB722 million respectively.

SHARE CAPITAL

Details of movements in share capital of the Company during the Year are set out in note 36 to the consolidated financial statements.

CHARITABLE DONATIONS

During the Year, the Group made charitable donations totalling RMB4.06 million (2024: RMB1.63 million).

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

DIRECTORS' REPORT

DIRECTORS

The Directors who held office during the Year and up to the date of this report were:

Executive Directors

Mr. Ma Tianyi *(Chairman and Chief Executive Officer)*
Mr. Liu Fali *(Chief Operating Officer)*
Ms. Qin Chunhong
Ms. Ma Ye
Mr. Ma Yong

Independent non-executive Directors

Mr. Li Xu
Mr. Ha Suoku
Mr. Hu Jingqiang *(appointed on 28 February 2025)*
Ms. Zhang Jinghua *(resigned on 28 February 2025)*

Mr. Hu Jingqiang obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 27 February 2025, and have confirmed that he understood his obligation as a director of a listed issuer under the Listing Rules.

In accordance with articles 83(3) and 84(1) of the Company's articles of association, Mr. Ma Tianyi, Mr. Liu Fali, Ms. Ma Ye and Mr. Hu Jingqiang will retire as Directors by rotation at the forthcoming annual general meeting, and being eligible, will offer themselves for re-election as Directors at the forthcoming annual general meeting of the Company.

The Company has received from each of the independent non-executive Directors an annual confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. As at the date of this report, the Company considers that all of the independent non-executive Directors remain independent.

CHANGES IN DIRECTORS' INFORMATION

Changes in the Directors' information in respect of the period between the publication date of the 2024 annual report and this report, which are required to be disclosed pursuant to the requirement of Rule 13.51B(1) of the Listing Rules are set out below:

With effect from 28 February 2025, (1) Ms. Zhang Jinghua has resigned as an independent non-executive director, chairperson of audit committee and remuneration committee, and a member of nomination committee; (ii) Mr. Hu Jingqiang has been appointed as an independent non-executive director and a member of each of audit committee, remuneration committee and nomination committee; and (iii) Dr. Li Xu has been re-designated as chairperson of audit committee and remuneration committee, and Ms. Qin Chunhong has been appointed as a member of the nomination committee.

DIRECTORS' AND SENIOR MANAGEMENTS' REMUNERATION

The remuneration of the senior management (excluding the Directors) of the Group by band for the Year is set out below:

Remuneration band	Number of senior management
Nil to HK$1,000,000	3

Further details of the Directors' remuneration and the five highest paid individuals for the Year are set out in notes 9 and 10 to the consolidated financial statements respectively.

No emoluments have been paid to any of the Directors or any of the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the Year and prior years.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company, which were not contract of service with any Director or any person engaged in full time employment of the Company, were entered into or existed during the Year.

No contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company, or any of its subsidiaries.

No contract of significance for the provision of services to the Group by any of the controlling shareholder of the Company or any of its subsidiaries was entered into.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Group within one year without payment of a compensation, other than the statutory compensation.

The appointment of each of the independent non-executive Directors is for a continuous term unless terminated by either party serving not less than 2 month's prior written notice to the other.

MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the Year, except as disclosed in the section headed "Connected Transactions" in this directors' report and note 40 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Year.

DIRECTORS' INTERESTS IN CONTRACTS

During the Year, except as disclosed in the section headed "Connected Transactions" in this directors' report and note 40 to the consolidated financial statements, none of the Directors is or was materially interested, directly or indirectly, in any contract or arrangement subsisting during the Year or as at 31 March 2025 which was significant in relation to the business of the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2025, the interests or short positions of the Directors and the chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which is taken or deemed to have under such provisions of the SFO), or which were required, to be entered in the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

The Company – interests in Shares and underlying Shares

Name of Director	Capacity/nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding *(Note 2)*
Mr. Ma Tianyi	Interest of a controlled corporation *(Note 4)*	58,980,000 ordinary shares (L)	1.66%
	Beneficial owner	2,000,000 ordinary shares (L)	0.06%

Name of Director	Capacity/nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding *(Note 2)*
Mr. Liu Fali	Beneficial owner	242,415,854 ordinary shares (L)	6.81%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,659,687,368 ordinary shares (L) *(Note 3)*	46.64%
Ms. Qin Chunhong	Interest of a controlled corporation *(Note 5)*	34,024,908 ordinary shares (L)	0.96%
	Beneficial owner	2,540,000 ordinary shares (L)	0.07%
Ms. Ma Ye	Beneficial owner	126,005,000 ordinary shares (L)	3.54%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,776,098,222 ordinary shares (L) *(Note 3)*	49.91%
Mr. Ma Yong	Beneficial owner	169,000 ordinary shares (L)	0.005%

Notes:

1. The letter "L" denotes a long position in the shares or underlying shares of the Company or any of its associated corporations.

2. The percentage of shareholding is calculated based on the number of issued shares of the Company as at 31 March 2025.

3. By virtue of the SFO and the Irrevocable Undertaking given by Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Liu Fali in favour of Mr. Ma Qiang, (1) Mr. Ma Suocheng was deemed to be interested in all the Shares in which Ms. Ma Xia, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested; (2) Ms. Ma Xia was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested; (3) Ms. Ma Ye was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Mr. Liu Fali and Mr. Ma Qiang were interested; and (4) Mr. Liu Fali was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Ma Qiang were interested.

4. These shares represented the interests of Pin On Everest Asset Holdings Ltd in 58,980,000 shares of the Company. As the entire issued share capital of Pin On Everest Asset Holdings Ltd was owned by Mr. Ma Tianyi, he was deemed to be interested in all the shares in which Pin On Everest Asset Holdings Ltd was interested by virtue of the SFO.

5. These shares includes the interests of Crystal Sky Development Inc. in 34,024,908 shares of the Company which is equally owned by Ms. Qin and her husband. Ms. Qin was deemed to be interested in all the Shares by virtue of the SFO.

Save as disclosed above, as at 31 March 2025, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES UNDER SFO

So far as is known to any Director or chief executive of the Company, as at 31 March 2025, the following persons (other than the Directors or chief executive of the Company as disclosed above) had an interest or short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in shares

Name of shareholder	Capacity/nature of interest	Number and class of securities held *(Note 1)*	Approximate percentage of shareholding *(Note 2)*
Shiny Ocean	Beneficial owner	1,361,516,331 ordinary shares (L)	38.26%
Ma Family Holdings Co. Limited	Interest of a controlled corporation	1,361,516,331 ordinary shares (L) *(Note 3)*	38.26%
Equity Trustee Limited	Trustee (other than a bare trustee)	1,361,516,331 ordinary shares (L) *(Note 3)*	38.26%
Mr. Ma Suocheng	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,902,103,222 ordinary shares (L) *(Note 4)*	53.45%
Ms. Ma Xia	Beneficial owner	172,166,037 ordinary shares (L)	4.84%
	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,729,937,185 ordinary shares (L) *(Note 4)*	48.61%
Mr. Ma Qiang	Interests of any parties to an agreement to acquire interests in the Company required to be disclosed under sections 317(1)(a) and 318 of the SFO	1,902,103,222 ordinary shares (L) *(Note 4)*	53.45%
Mr. Yang Tao	Beneficial owner	256,739,268 ordinary shares (L)	7.21%
Mr. Li Man	Beneficial owner	255,299,268 ordinary shares (L)	7.17%
Mr. Lv Wenhua	Beneficial owner	226,236,854 ordinary shares (L)	6.36%

Notes:

1. The letter "L" denotes a long position in the shares or underlying shares of the Company or any of its associated corporations.

2. The percentage of shareholding is calculated based on the number of issued shares of the Company as at 31 March 2025.

3. These shares were held by Shiny Ocean, which was wholly owned by Ma Family Holdings Co. Limited. The entire issued share capital of Ma Family Holdings Co. Limited was owned by Equity Trustee Limited as trustee of the Ma Family Trust of which Mr. Ma Suocheng and male lineal descendants of Mr. Ma Qiang are the discretionary beneficiaries.

4. By virtue of the SFO and the Irrevocable Undertaking given by Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Liu Fali in favour of Mr. Ma Qiang, (1) Mr. Ma Suocheng was deemed to be interested in all the Shares in which Ms. Ma Xia, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested; (2) Ms. Ma Xia was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Ye, Mr. Liu Fali and Mr. Ma Qiang were interested; (3) Ms. Ma Ye was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Mr. Liu Fali and Mr. Ma Qiang were interested; and (4) Mr. Liu Fali was deemed to be interested in all the Shares in which Mr. Ma Suocheng, Ms. Ma Xia, Ms. Ma Ye and Mr. Ma Qiang were interested.

Save as disclosed herein, as at 31 March 2025, the Company had not been notified of any other person (other than the Directors or chief executive of the Company) who had a discloseable interest or short position in the Shares as recorded in the register which was required to be kept under section 336 of the SFO concerning persons carrying rights to vote in all circumstances at general meetings of any other members of the Group.

ISSUE OF SECURITIES

There was no issue of securities by the Company during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws in Cayman Islands.

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

There was no purchase, sale or redemption of the Company's listed shares (including sale of treasury shares (as defined under the Listing Rules)) by the Company or its subsidiaries during the Year.

The Company did not have any treasury shares as at 31 March 2025.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set out by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors and senior management are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Details of the remuneration of the Directors and the five highest paid individuals in the Group are set out in notes 9 and 10 respectively to the consolidated financial statements.

RETIREMENT BENEFIT COST

Particulars of retirement benefit cost of the Group are set out in note 8 to the consolidated financial statements.

SHARE AWARD SCHEME

The Company has adopted the Share Award Scheme on 8 July 2019 (the "**Scheme**"). The following is a summary of the principal terms of the Scheme but does not form part of, nor was it intended to be, part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme:

Purpose of the Scheme

The purposes of the Scheme are to recognise and reward the contribution of certain employees and directors to the growth and development of the Group, to give incentives to such individuals in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Participants of the Scheme

Any employee or director of any member of the Group is eligible for being selected for participation in the Scheme, excluding any such individual who is resident in a place where the award of Shares and/or vesting and transfer of the relevant Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individuals.

Total Number of Shares to be Granted

The Board shall not make any further award of Shares which will result in the number of Shares awarded by the Board under the Scheme exceeding 200,000,000 Shares.

As at 1 April 2024, 31 March 2025 and the date of this Report, respectively, the total number of Shares available to be awarded under the Scheme is 172,931,000 Shares, representing approximately 4.86% of the issued Shares as at the date of this Report. No Shares were awarded under the Scheme during the Year.

Maximum Entitlement of Each Participant

Generally, there is no limit on the total number of Shares to be awarded to an eligible participant selected by the Board under the Scheme, subject to any rules of the Scheme or as otherwise restricted by the Listing Rules.

Administration of the Scheme

The Scheme shall be subject to the administration of the Board and the trustee in accordance with the rules of the Scheme and the terms of the trust deed made and entered into between the Company and the trustee (as restated, supplemented and amended from time to time) for the administration of the Scheme. The decision of the Board with respect to any matter arising under the Scheme shall be final and binding. The trustee shall hold the trust fund in accordance with the rules of the Scheme and the terms of the trust deed.

Vesting Period of Share Awards Granted under the Scheme

Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions (if any) on such selected persons as specified in the Scheme and the relevant grant notice, the respective awarded Shares held by the trustee on behalf of the selected participant shall vest in such selected participant in accordance with the vesting schedule as set out in the grant notice, provided that the selected participant remains at all times after the date of final approval by the Board in connection therewith and on the relevant vesting date(s) an eligible participant of the Group.

The trustee shall cause the awarded Shares to be transferred to such selected participant on the vesting date. The Board may at its absolute discretion, grant additional Shares out of the trust fund representing all or part of the income or distributions declared by the Company or derived from such awarded Shares during the period from the date of award to the vesting date to a selected participant.

Consideration for Acceptance

The Board may award the Shares under the Scheme either without receiving any consideration from the selected persons or requiring the selected persons to contribute cash consideration at the rate fixed by the Board. The purchase price of the Shares shall be at the prevailing marking price on or off market.

Remaining Life of the Scheme

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of five (5) years commencing on the date of adoption of the Scheme (namely, 8 July 2019), hence the Scheme has expired as at 7 July 2024.

For further details of the Scheme, please refer to the announcement of the Company dated 8 July 2019. No shares were awarded under the Share Award Scheme of the Company during the Year.

PERMITTED INDEMNITY PROVISIONS

During the Year and up to the date of this report, there was or is permitted indemnity provision (within the meaning in Section 469 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) in the articles of association of the Company being in force.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Year, none of the Directors had rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor (natural or adopted), or had exercised such rights; none of the Company or any of the subsidiaries of the Company was a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

CONNECTED TRANSACTION

On 19 April 2024, Perfect Start Development Limited (a direct wholly-owned subsidiary of the Company, as the Vendor) and Inner Mongolia Shengli Civil Explosives Co., Ltd. (內蒙古生力民爆股份有限公司) (a substantial shareholder of certain indirect non-wholly owned subsidiaries of the Company, as the Purchaser) entered into the equity transfer agreement pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the sale shares, being 40% of the issued shares of Pizu International Limited, for a consideration of RMB50 million (equivalent to approximately HK$54.15 million). For details, please refer to the Company's announcement dated 19 April 2024 and supplemental announcement dated 23 April 2024.

The related party transactions mentioned in note 40 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions of the Company which are required to be disclosed under Chapter 14A of the Listing Rules and do not constitute connected transactions that are not fully exempted under Rule 14A.73 of the Listing Rules except for those related party transactions between the Group and their connected persons as disclosed above which constituted connected transaction or continuing connected transactions, and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the year ended 31 March 2025 in accordance with the disclosure requirements under Chapter 14A of the Listing Rules.

DIRECTORS' REPORT

COMPETING INTERESTS

During the Year, none of the Directors or substantial shareholders or any of their respective associates (as defined in the Listing Rules) had an interest in any business that compete or may compete with the business of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this Report.

SEGMENT INFORMATION

An analysis of the principal activities and geographical locations of operations of the Group for the Year is set out in note 15 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases during the Year attributable by the Group's five largest customers and suppliers are as follows:

Sales	**Percentage to total sales of the Group (%)**
– The largest customer of the Group	21%
– Five largest customers in aggregate	47%

Purchases	**Percentage to total purchases of the Group (%)**
– The largest supplier of the Group	23%
– Five largest suppliers in aggregate	50%

None of the Directors, their close associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital (excluding treasury shares)) had any interest in the Group's five largest customers or suppliers noted above.

ENVIRONMENTAL PROTECTION

The Group has established an environmental management department and management system and has strictly complied with the relevant laws and regulations of environmental protection promulgated by the PRC government; "Environmental Impact Assessment" and "Designed, Constructed and Put into use or operation simultaneously" systems are stringently implemented during the course of project construction, reconstruction and extension, which are examined and accepted by environmental authority of the PRC. Detail information required by the Listing rules are set out in the Environmental, Social and Governance (ESG) Report which will be presented in a separate report and published on the website of the Company at www.pizugroup.com and the website of HKEXnews at www.hkexnews.hk.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's business is mainly operated by its subsidiaries in the British Virgin Islands, Hong Kong, the PRC, Tajikistan and Mongolia and the Company is incorporated in the Cayman Islands and is a listed company on the Main Board of the Stock Exchange. Therefore, the Group should comply with relevant laws and regulations of Cayman Islands, British Virgin Islands, PRC, Tajikistan, Kyrgyzstan and Hong Kong. The Group will seek professional legal opinions from its external legal advisors when necessary to ensure that the Group's transactions and business are in conformity with all applicable laws and regulations.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the Year, there were no material and significant dispute between the Group and its employees, customers and suppliers.

EVENT AFTER THE REPORTING PERIOD

There is no significant event affecting the Group after the reporting period and up to the date of this annual report.

DIRECTORS' REPORT

AUDITOR

The consolidated financial statements for the Year was audited by BDO Limited who will retire as the Company's auditor at the end of the forthcoming annual general meeting of the Company and being eligible, will offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

The auditor of the Company has not changed in the past three years.

On behalf of the Board

Ma Tianyi
Chairman and Chief Executive Officer

China, 27 June 2025

* *For identification purpose only*

INDEPENDENT AUDITOR'S REPORT

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TO THE MEMBERS OF PIZU GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Pizu Group Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 57 to 157, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (Continued)

Impairment assessment of goodwill and other non-current assets of mining operation

Refer to notes 3.11, 4.1(ii), 19 and 20 to the consolidated financial statements

At the reporting date, management performed impairment assessments on the goodwill and other non-current assets of two subsidiaries, namely Anhui Jinding Mining Co., Ltd ("Anhui Jinding") and Tibet Tianren Mining Co., Ltd. ("Tibet Tianren"), which represent two cash-generating units in the mining operation segment (the "mining operation CGUs"). The goodwill and other non-current assets are assigned to the respective mining operation CGUs to which they belong for the purpose of impairment assessment. As at 31 March 2025, the carrying value of the goodwill, mining rights and property, plant and equipment related to the mining operation CGUs were RMB42,632,000, RMB527,185,000 and RMB2,015,714,000 respectively.

Recoverable amount is the higher of fair value less costs of disposal and value in use. At 31 March 2025, the recoverable amounts of the mining operation CGUs were determined by the management using fair value less costs of disposal basis. The Group uses income approach to estimate the fair value less costs of disposal of the mining operation CGUs, which requires the management to prepare a cash flow projections based on the updated mine production plan of the mining operation CGUs. The preparation of the cash flow projections requires the exercise of significant judgement and estimates by the management in adoption of assumptions, including estimation of mineral reserves, the expected tonnes and grade of mineral mined, long-term commodity prices, production costs, operating expenditure, capital expenditure as well as appropriate discount rate. Estimation uncertainty is considered to be significant due to the long lives of the assets and uncertainty in the timing of future cash flows. In performing the impairment assessment, management was assisted by the external specialists on the part of the mineral resources and reserves estimation and valuations of the cash flow projections.

Based on the impairment assessment, management concluded that no impairment provision was required for Anhui Jinding and Tibet Tianren for the year ended 31 March 2025.

We have identified the impairment assessment of the goodwill and other non-current assets of the mining operation CGUs as a key audit matter as considerable amount of judgement and estimation being required for the impairment assessment as described above.

Our response:

Our procedures in relation to management's impairment assessment included:

(i) obtaining an understanding of the management's control procedures of impairment assessment and assessing inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factor;

(ii) evaluating the competence, capabilities and objectivity of the specialists;

KEY AUDIT MATTERS (Continued)

Impairment assessment of goodwill and other non-current assets of mining operation (Continued)

Our response: (Continued)

(iii) evaluating the methodology adopted by the management to estimate the recoverable amounts;

(iv) obtaining an understanding on the latest mine plan and ensuring the cash flow projections reflected the latest plan;

(v) assessing appropriateness of the cash flow projections in determining the recoverable amounts, challenging the reasonableness of key assumptions used in the cash flow projections including deployment of mineral resources and reserves, future selling prices and operating costs, production volume, and discount rate applied based on our knowledge of the business and industry and with the assistance of our specialists;

(vi) validating key inputs and assumptions adopted in the cash flow projections to supporting evidences including checking to the technical report of the mines, checking the market prices of commodities and substantiating production and operating costs projection with reference to the historical costs where applicable;

(vii) assessing reliability of management's forecast capital and operating expenditure by comparing budgeted results with actual performance in prior periods;

(viii) checking the mathematical accuracy of the cash flow projections; and

(ix) assessing the disclosure made for the impairment assessment including the sensitivity analysis in consideration of potential impact of reasonably possible downside changes in the key assumptions.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group's financial statements. We are responsible for the direction, supervision and review of work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, incling any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited
Certified Public Accountants

Lee Ming Wai
Practising Certificate Number P05682

Hong Kong, 27 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 RMB'000	2024 RMB'000
Continuing operations			
Revenue	5	**1,695,507**	1,366,367
Cost of goods sold and services provided		**(976,682)**	(794,923)
Gross profit		**718,825**	571,444
Other income	6	**38,514**	75,582
Selling and distribution expenses		**(55,848)**	(51,219)
Administrative and other operating expenses		**(247,376)**	(250,506)
Other (losses)/gains			
Reversal of impairment loss on property, plant and equipment	16	**–**	14,837
Reversal of impairment loss on other intangible assets	20	**–**	6,560
Impairment loss on trade receivables	24	**(21,852)**	(17,838)
Reversal of impairment loss on other receivables	25	**1,192**	633
Loss on disposal of an associate		**–**	(473)
Loss on disposal of a subsidiary	34	**–**	(4,822)
Profit from operations	7	**433,455**	344,198
Finance costs	11	**(5,193)**	(26,237)
Share of profit of associates	22	**18,146**	13,638
Profit before income tax		**446,408**	331,599
Income tax expense	12	**(121,031)**	(75,036)
Profit from continuing operations		**325,377**	256,563
Loss on discontinued operation, net of tax	13	**–**	(542)
Profit from continuing and discontinued operations		**325,377**	256,021
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Exchange differences arising from:			
– translation of Company's financial statements to presentation currency		**4,335**	931
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising from:			
– translation of foreign operations		**(1,216)**	(2,072)
– reclassification relating to disposal of a subsidiary		**–**	(3)
		(1,216)	(2,075)
Other comprehensive income for the year		**3,119**	(1,144)
Total comprehensive income for the year		**328,496**	254,877

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	2025 RMB'000	2024 RMB'000
Profit attributable to:			
Owners of the Company			
– From continuing operations		**164,117**	131,570
– From discontinued operation		**–**	(542)
Non-controlling interests			
– From continuing operations		**161,260**	124,993
		325,377	256,021
Total comprehensive income attributable to:			
Owners of the Company			
– From continuing operations		**166,505**	128,119
– From discontinued operation		**–**	(542)
Non-controlling interests			
– From continuing operations		**161,991**	127,300
		328,496	254,877
Basic and diluted earnings per share	14	**RMB**	RMB
– from continuing and discontinued operations		**0.047**	0.037
– from continuing operations		**0.047**	0.038

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	16	**2,198,341**	2,045,669
Right-of-use assets	17(a)	**45,108**	43,119
Prepayments and other receivables	25	**198,139**	91,942
Deferred tax assets	18	**44,228**	57,959
Goodwill	19	**42,632**	42,632
Other intangible assets	20	**705,309**	654,920
Interest in a joint venture	21	**–**	–
Interests in associates	22	**64,550**	50,573
		3,298,307	2,986,814
Current assets			
Inventories	23	**86,185**	117,995
Contract assets and trade and bills receivables	24	**401,187**	388,432
Other receivables, prepayments and deposits	25	**149,904**	171,731
Amounts due from associates	22(d)	**24,156**	32,284
Amount due from a joint venture	21(c)	**4,888**	2,838
Restricted bank balances	27	**6,240**	2,631
Cash and cash equivalents	27	**632,545**	223,776
		1,305,105	939,687
Current liabilities			
Trade payables	29	**302,675**	384,244
Other payables and accruals	30	**1,023,343**	945,212
Borrowings	28	**199,310**	412,565
Dividend payable		**6,972**	5,813
Lease liabilities	17(b)	**2,734**	1,823
Amounts due to related companies	26	**5,280**	85,530
Amount due to a shareholder	26	**14,662**	47,141
Income tax payable		**46,319**	9,493
		1,601,295	1,891,821

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 RMB'000	2024 RMB'000
Net current liabilities		**(296,190)**	(952,134)
Total assets less current liabilities		**3,002,117**	2,034,680
Non-current liabilities			
Other payables	30	**29,150**	–
Borrowings	28	**697,228**	319,708
Lease liabilities	17(b)	**481**	814
Amount due to a related company	26	**73,530**	–
Deferred tax liabilities	18	**10,880**	10,586
Provision	31	**15,360**	11,886
		826,629	342,994
Net assets		**2,175,488**	1,691,686
Capital and reserves			
Share capital	36	**40,259**	40,259
Treasury shares	36	**–**	(27,640)
Reserves	37	**1,006,730**	836,172
		1,046,989	848,791
Non-controlling interests	38	**1,128,499**	842,895
Total equity		**2,175,488**	1,691,686

On behalf of the Board

Mr. Ma Tianyi
Director

Ms. Shen Tianwei
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	2025 RMB'000	2024 RMB'000
Cash flows from operating activities		
Profit before income tax	**446,408**	331,057
Adjustments for:		
Amortisation of intangible assets	**17,040**	12,716
Depreciation for property, plant and equipment	**104,869**	91,962
Depreciation for right-of-use assets	**3,255**	3,164
Loss on disposal of a subsidiary	**–**	4,822
Loss on disposal of an associate	**–**	473
(Gain)/loss on disposal of property, plant and equipment	**(923)**	893
Impairment loss on trade receivables	**21,852**	17,838
Reversal of impairment loss on other receivables	**(1,192)**	(633)
Reversal of impairment loss on other intangible assets	**–**	(6,560)
Reversal of impairment loss on property, plant and equipment	**–**	(14,837)
Interest income	**(7,654)**	(6,041)
Waiver income	**(8,655)**	(32,511)
Income on the release of the provision of the legal obligation	**(9,544)**	–
Compensation income	**–**	(25,352)
Write-off of inventories	**–**	3,312
Write-off of prepayment	**3,548**	–
Finance costs	**5,193**	26,237
Share of profit of associates	**(18,146)**	(13,638)
Net exchange differences	**(1,806)**	(3,261)
Operating profit before working capital changes	**554,245**	389,641
Decrease/(increase) in inventories	**32,172**	(8,907)
(Increase)/decrease in contract assets and trade and bills receivables	**(34,555)**	35,916
Decrease/(increase) in other receivables, prepayments and deposits	**19,212**	(19,963)
Decrease in trade payables	**(72,034)**	(139,387)
Increase in other payables and accruals	**77,023**	7,519
Decrease/(increase) in amounts due from associates	**8,128**	(8,536)
Cash generated from operations	**584,191**	256,283
Income tax paid	**(70,180)**	(35,615)
Net cash generated from operating activities	**514,011**	220,668

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Interest received		**6,093**	5,316
Proceeds from disposal of property, plant and equipment		**1,816**	1,553
Purchase of right-of-use assets		**–**	(11,004)
Proceed from disposal of an associate	41(a)	**–**	1,810
Increase in amount due from a joint venture		**(2,050)**	(1,548)
Purchase of property, plant and equipment		**(232,582)**	(182,188)
Increase in prepayments for purchase of property, plant and equipment and land use right		**(132,274)**	(4,203)
Purchase of other intangible assets	41(d)	**(28,120)**	(93,017)
Dividend received from associates	22	**4,169**	25,816
Release of restricted bank balance		**(3,609)**	13,425
Net cash used in investing activities		**(386,557)**	(244,040)
Cash flows from financing activities			
Dividend paid	41(e)	**(31,657)**	(30,826)
Dividend paid to non-controlling interests	41(c)	**(31,857)**	(124,267)
Contribution from non-controlling interests		**165,000**	5,000
Proceeds from borrowings	41(e)	**335,260**	250,900
Repayment of borrowings	41(e)	**(184,900)**	(397,000)
Interest paid for bank borrowings	41(e)	**(13,004)**	(12,072)
Lease payments	41(e)	**(4,735)**	(2,396)
Advance from a related company	41(e)	**–**	12,000
Repayment to a related company	41(e)	**(6,720)**	–
Advance from a shareholder	41(e)	**–**	14,000
Repayment to a shareholder	41(e)	**(32,479)**	–
Proceeds from disposal of treasury shares	36	**32,800**	–
Proceeds from partial disposal of equity interest in a subsidiary	32	**50,000**	–
Acquisition of additional equity interest in a subsidiary	33	**–**	(54,000)
Net cash generated from/(used in) financing activities		**277,708**	(338,661)
Net increase/(decrease) in cash and cash equivalents		**405,162**	(362,033)
Cash and cash equivalents at beginning of the year		**223,776**	586,625
Effect of exchange rate changes on cash and cash equivalents		**3,607**	(816)
Cash and cash equivalents at end of the year		**632,545**	223,776

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Equity attributable to owners of the Company												
	Share capital RMB'000	Treasury shares RMB'000	Share premium* RMB'000 (note 37(a))	Capital distributable reserve* RMB'000 (note 37(b))	Contributed surplus* RMB'000 (note 37(c))	Restructuring reserve* RMB'000 (note 37(d))	Merger reserve* RMB'000 (note 37(e))	Foreign currency translation reserve* RMB'000 (note 37(f))	Statutory and other reserves* RMB'000 (notes 37(g) and (h))	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 April 2023	40,259	(27,640)	529,602	25,141	933	89,227	(613,604)	(38,996)	42,476	731,735	779,133	866,680	1,645,813
Profit for the year	–	–	–	–	–	–	–	–	–	131,028	131,028	124,993	256,021
Other comprehensive income:													
Exchange differences from:													
– translation of Company's financial statements to presentation currency	–	–	–	–	–	–	–	931	–	–	931	–	931
– translation of foreign operations	–	–	–	–	–	–	–	(4,379)	–	–	(4,379)	2,307	(2,072)
– reclassification relating to disposal of a subsidiary (note 34)	–	–	–	–	–	–	–	(3)	–	–	(3)	–	(3)
Total comprehensive income for the year	–	–	–	–	–	–	–	(3,451)	–	131,028	127,577	127,300	254,877
Transactions with owners:													
Dividends declared or approved	–	–	(32,384)	–	–	–	–	–	–	–	(32,384)	–	(32,384)
Acquisition of additional equity interest in a subsidiary (note 33)	–	–	–	–	–	–	–	–	(25,535)	–	(25,535)	(28,465)	(54,000)
Disposal of a subsidiary (note 34)	–	–	–	–	–	–	–	–	–	–	–	(3,353)	(3,353)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(124,267)	(124,267)
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	5,000	5,000
	–	–	(32,384)	–	–	–	–	–	(25,535)	–	(57,919)	(151,085)	(209,004)
Transfer to statutory and other reserves	–	–	–	–	–	–	–	–	70,515	(70,515)	–	–	–
Utilisation of other reserves	–	–	–	–	–	–	–	–	(39,315)	39,315	–	–	–
At 31 March 2024	40,259	(27,640)	497,218	25,141	933	89,227	(613,604)	(42,447)	48,141	831,563	848,791	842,895	1,691,686

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Equity attributable to owners of the Company												
	Share capital RMB'000	Treasury shares RMB'000	Share premium* RMB'000 (note 37(a))	Capital distributable reserve* RMB'000 (note 37(b))	Contributed surplus* RMB'000 (note 37(c))	Restructuring reserve* RMB'000 (note 37(d))	Merger reserve* RMB'000 (note 37(e))	Foreign currency translation reserve* RMB'000 (note 37(f))	Statutory and other reserves* RMB'000 (notes 37(g) and (h))	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 April 2024	40,259	(27,640)	497,218	25,141	933	89,227	(613,604)	(42,447)	48,141	831,563	848,791	842,895	1,691,686
Profit for the year	–	–	–	–	–	–	–	–	–	164,117	164,117	161,260	325,377
Other comprehensive income:													
Exchange differences from:													
– translation of Company's financial statements to presentation currency	–	–	–	–	–	–	–	4,335	–	–	4,335	–	4,335
– translation of foreign operations	–	–	–	–	–	–	–	(1,947)	–	–	(1,947)	731	(1,216)
Total comprehensive income for the year	–	–	–	–	–	–	–	2,388	–	164,117	166,505	161,991	328,496
Transactions with owners:													
Dividends declared or approved	–	–	(32,740)	–	–	–	–	–	–	–	(32,740)	–	(32,740)
Partial disposal of equity interest in a subsidiary (note 32)	–	–	–	–	–	–	–	–	31,633	–	31,633	18,367	50,000
Disposal of treasury shares (note 36)	–	27,640	5,160	–	–	–	–	–	–	–	32,800	–	32,800
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(59,754)	(59,754)
Contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	165,000	165,000
	–	27,640	(27,580)	–	–	–	–	–	31,633	–	31,693	123,613	155,306
Transfer to statutory and other reserves	–	–	–	–	–	–	–	–	96,979	(96,979)	–	–	–
Utilisation of other reserves	–	–	–	–	–	–	–	–	(35,012)	35,012	–	–	–
At 31 March 2025	40,259	–	469,638	25,141	933	89,227	(613,604)	(40,059)	141,741	933,713	1,046,989	1,128,499	2,175,488

* The total of these balances at the end of the reporting date represents "Reserves" in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025

1. CORPORATE INFORMATION

Pizu Group Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability. The Company's registered office is maintained by Conyers Trust Company (Cayman) Limited, which is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KYI-1111, Cayman Islands. The address of its principal place of business is Unit 07, 21/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company's shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 6 August 2004. During the year, the transfer of listing of the Company's shares from GEM to the Main Board of the Stock Exchange was completed and dealing of the Company's shares on the Main Board of the Stock Exchange commenced on 18 February 2025.

The Company and its subsidiaries (collectively, the "Group") are principally engaged in manufacturing and sale of explosives and provision of blasting operations and related services in the People's Republic of China (the "PRC") and Tajikistan, as well as mining, processing and sales of mineral products in the PRC.

The consolidated financial statements for the year ended 31 March 2025 were approved and authorised for issue by the directors on 27 June 2025.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

2.1 Adoption of amended HKFRS Accounting Standards

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 Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of these amended HKFRS Accounting Standards has no material impact on the Group's consolidated financial statements.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

2.2 New or amended HKFRS Accounting Standards that have been issued but are not yet effective and not early adopted

The following new or amended HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
Amendments to HK Int 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause (reference have been updated to reflect the requirements in HKFRS 18)[3]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

The directors of the Company are currently assessing the impact of the new or amended HKFRS Accounting Standards. Except for the below, these new or amended HKFRS Accounting Standards are preliminary assessed and are not expected to have any significant impact on the Group's consolidated financial statements.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (Continued)

2.2 New or amended HKFRS Accounting Standards that have been issued but are not yet effective and not early adopted (Continued)

HKFRS 18, Presentation and Disclosure in Financial Statements

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements. Based on the preliminary assessment, the application of the new standard is expected to affect the presentation of the statement of comprehensive income and disclosures in the future financial statements, even though it will not impact the recognition or measurement of items in the consolidated financial statements.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

3.1 Statement of compliance, basis of measurement and going concern assumption

Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which collective term includes individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange.

Basis of measurement

The Group's consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that have been measured at fair value.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.1 Statement of compliance, basis of measurement and going concern assumption (Continued)

Going concern assumption

As at 31 March 2025, the Group's current liabilities exceed its current assets by RMB296,190,000. In preparing these consolidated financial statements using the going concern basis, the directors of the Company considered the future liquidity of the Group based on a cash flow forecast covering 15 months from the end of the reporting period that takes into account of the following:

(i) The current liabilities consist of contract liabilities of RMB52 million (note 30(d)) and the directors of the Company believe that it is unlikely that the counterparties would terminate the contracts resulting in the Group being required to refund the advances received from customers.

(ii) Up to the date of authorisation for issuance of these consolidated financial statements, the Group had unutilised bank loan facility of RMB74 million which is available throughout the forecast period.

(iii) The Group's mining project at Tibet, the PRC ("Tibet Tianren Project") is conducted by Tibet Tianren Mining Company Limited (西藏天仁礦業有限公司) ("Tibet Tianren"), a non-wholly owned subsidiary. Tibet Tianren currently possesses a mining licence in respect of a mine located at Tibet with a validity period from 16 October 2024 to 15 October 2047, and has obtained the Environment Impact Assessment approval issued by Tibet Ecology and Environment Department in June 2024. Tibet Tianren Project remains at the pre-construction preparation stage, and it is currently envisaged that the Tibet Tianren Project may proceed to trial production phase as early as in 2027.

Prior to the Group's investment in Tibet Tianren, Tibet Tianren had carried out substantive exploration work as well as mine-site preparation and construction work, and as a result had incurred substantial amounts of capital expenditure which was funded largely by advances of shareholder's loans from Sichuan Hongda (Group) Co., Ltd. (四川宏達(集團)有限公司) ("Sichuan Hongda"), its then major shareholder holding 46% equity interests in Tibet Tianren at the relevant time. The Group obtained the control of Tibet Tianren in November 2022. Subsequently in June 2023, Sichuan Hongda entered into bankruptcy reorganisation proceedings. In the course of its reorganisation proceedings, the competent bankruptcy court selected Shudao Investment Group Co., Ltd. (蜀道投資集團有限責任公司) ("Shudao Group") as the reorganisation investor of Sichuan Hongda, pursuant to which Shudao Group, through Sichuan Hongda, became the beneficial owner of the 46% equity interest in Tibet Tianren in September 2024.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.1 Statement of compliance, basis of measurement and going concern assumption (Continued)

Going concern assumption (Continued)

(iii) (Continued)

As at 31 March 2025, Tibet Tianren had net assets of RMB72 million (2024: RMB118 million), including non-current assets (mainly property, plant and equipment and mining right) of RMB1,401 million (2024: RMB1,131 million) and current liabilities of RMB1,296 million (2024: RMB986 million), which include amounts previously due to Sichuan Hongda from the shareholder's advances as further detailed below.

Other payables and accruals of the Group as at 31 March 2025 included (i) an amount of RMB538 million (2024: RMB538 million) which was previously due to Sichuan Hongda and was assigned to a creditor of Sichuan Hongda during the financial year ended 31 March 2024; and (ii) an amount of RMB136 million which was previously due to Sichuan Hongda and was transferred to a creditor of Sichuan Hongda during the current financial year (collectively, the "Debts"). The Debts are unsecured, interest fee and repayable on demand.

The directors anticipate that the Group will have sufficient funds to continue as a going concern in the next 12 months from the end of the reporting period based on the following:

(i) The Group is in active pursuit with selected banking institutions for a syndicated loan of RMB2 billion to provide funding support for the mine construction work of Tibet Tianren, which is progressing positively as planned. Since the approval for the mine construction work has been obtained, and based on the latest discussion with the banking institutions, the directors expect that the syndicated loan would be secured in due course.

(ii) The Group has been in active communications and working in conjunction with Shudao Group on a potential capital injection into Tibet Tianren with a view to addressing the financing need in respect of the Debts and supporting its mine infrastructure work and general working capital requirements. Currently, the discussion on the potential capital injection is progressing positively. The directors envisages that the aforesaid syndicated loan and capital injection would be secured in due course which is expected to address the financing need in respect of the Debts and provide sufficient funding support to bring the Tibet Tianren Project to commercial production.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.1 Statement of compliance, basis of measurement and going concern assumption (Continued)

Going concern assumption (Continued)

(iii) The Group has secured a stand-by facility from a non-controlling shareholder and business partner of certain of the Group's subsidiaries. Such facility is for providing working capital to Tibet Tianren. Borrowing period is three years from the date of drawdown. The stand-by facility also serves to provide funding to the Group to fulfill the repayment demand from those creditors of Tibet Tianren.

(iv) The Group expects to generate net operating cash inflows during the forecast period, assuming full repayment of the Debts during the forecast period.

3.2 Functional and presentation currency

The functional currency of the Company is Hong Kong Dollars ("HK$"). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated. In the opinion of the directors, it is appropriate to present the consolidated financial statements in RMB since the Group has been operating in the RMB environment and the Group has planned to continue to invest in the PRC in the long run.

3.3 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (see note 3.4 below) made up to 31 March each year. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.3 Business combination and basis of consolidation (Continued)

Acquisition of businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group has elected to measure the non-controlling interests that represent present ownership interests in the subsidiary at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Indemnification assets shall be recognised at fair value at acquisition date, and subsequently measured on the same basis as the indemnified liability, subject to any contractual limitations on its amount and the collectability of the indemnification asset. The Group shall derecognise the asset when it collects the asset, sells it, or otherwise loses the right to it.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee; exposure, or rights, to variable returns from the investee; and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
– Potential voting rights held by the Group, other vote holders or other parties;
– Rights arising from other contractual arrangements; and
– Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions needs to be made, including voting patterns at previous shareholders' meetings.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Depending on the nature of the item of property, plant and equipment, depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its estimated useful life or it is calculated using the units of production ("UOP") basis to write off the cost of the asset proportionately to the extraction of the proven and probable mineral reserves.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.5 Property, plant and equipment (Continued)

The estimated useful lives of property, plant and equipment other than construction in progress are as follows:

Buildings	Shorter of the terms of land leases or 20 years
Leasehold improvements	Over the remaining term of the lease
Plant and machinery	2-10 years
Furniture and equipment	3-7 years
Motor vehicles	2-8 years
Mining infrastructures	Mining lifetime of mine

Included in property, plant and equipment is mining infrastructure located at the mining sites. Depreciation is provided to write off the cost of the mining infrastructures using the UOP method based on the proven and probable mineral reserves.

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

3.6 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.6 Associates (Continued)

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate and the entire carrying amount of the investment is subject to impairment test, by comparing the carrying amount with its recoverable amount, which is higher of value in use and fair value less costs of disposal.

3.7 Joint arrangement

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- *Joint ventures:* where the Group has rights to only the net assets of the joint arrangement; or

- *Joint operations:* where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;

- The legal form of joint arrangements structured through a separate vehicle;

- The contractual terms of the joint arrangement agreement; and

- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interest in a joint venture in the same manner as investments in associates (i.e. using the equity method – see note 3.6).

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.8 Goodwill

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the combination. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 3.11), and whenever there is an indication that the unit may be impaired.

3.9 Other intangible assets

Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses.

Amortisation is provided on a straight-line basis over the useful lives of the following intangible assets as follows:

Computer software	3-10 years
Patents	10 years
Production quota use right	Over 3 years

Mining rights is stated at cost less accumulated amortisation and any impairment losses. Mining rights include cost of acquiring mining licences, exploration and evaluation costs transferred from exploration and evaluation assets and the cost of acquiring interests in the mining reserves of existing mining properties. Mining rights is amortised in accordance with the production plans of the concerned mine over the proven and probable mineral reserves of the mine using the UOP basis. Mining rights is written off to profit or loss if the mining property is abandoned.

The amortisation expense is recognised in profit or loss and included in cost of goods sold or administrative and other operating expenses.

Intangible assets with indefinite useful lives including permanent land use right, production permits and production quotas are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (note 3.11).

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.10 Leases

Group as a lessee

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise leases which are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term of 12 months or less. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and estimated useful lives of the assets as follows:

Leasehold land	Over the lease terms
Buildings	Over the lease terms
Motor vehicles	Over the lease terms

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.10 Leases (Continued)

Lease liability (Continued)

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

3.11 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased, or when annual impairment testing for those assets is required:

- Property, plant and equipment;
- Right-of-use assets;
- Goodwill;
- Other intangible assets;
- Interests in associates;
- Interests in a joint venture;
- Prepayments for purchase of property, plant and equipment and land use right; and
- Investments in subsidiaries.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit ("CGU")). As a result, some assets are tested individually for impairment and some are tested at CGU level. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.11 Impairment of non-financial assets (Continued)

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

Impairment loss recognised for a CGU is charged pro rata to the assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's or CGU's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

A reversal of such impairment is credited to profit or loss in the period in which it arises unless that asset is carried at revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for the revalued amount.

3.12 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to completion and estimated costs necessary to make the sales.

3.13 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.13 Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Financial assets at fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on trade receivables, contract assets, other financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the end of the reporting period: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.13 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 *Financial Instruments* ("HKFRS 9") simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due, depending on credit worth of customers.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has been entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 5 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.13 Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost including trade payables, other payables and accruals, dividend payable, amounts due to related parties and borrowings are subsequently measured at amortised cost, using the effective interest method.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(vii) Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.14 Revenue recognition

Sale of explosives and mineral concentrates

Revenue from sale of explosives and mineral concentrates is recognised at a point in time when the control of goods have been transferred to the buyer. There is generally only one performance obligation. Invoices are payable upon presentation. New customers and customers related to sales of mineral concentrates are generally required to pay in advance. The advance received is recognised as contract liabilities.

Provision of blasting services

Revenue from the provision of blasting operation is recognised over time when the services are rendered. Invoices are issued monthly. Invoices are usually payable within 60 days.

Part of the invoiced amount will be retained by customers as retention monies and will be settled 6 to 24 months after the completion of the relevant service contracts. Retention monies are recognised as contract assets. The retention receivables will be transferred to trade receivables when the Group has unconditional right to payments from the customers.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.15 Income taxes

Income taxes comprise current tax and deferred tax.

Current tax is based on profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.16 Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. RMB) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign currency translation reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign currency translation reserve relating to that operation up to the date of disposal are reclassified to profit or loss to the extent attributable to owners of the Company as part of the profit or loss on disposal.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.17 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

3.18 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker, i.e. the board of directors (the "Board"), for the purposes of allocating resources to, and assessing the performance of, the Group's various business operation and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (Continued)

3.19 Fair value measurement

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3.20 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Provisions for the Group's obligations for land reclamation are based on estimates of required expenditure for the mine in accordance with the PRC rules and regulations. The Group estimates its liabilities for final reclamation and mine closure based on a detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. The Group records a corresponding asset in the period in which the liability is incurred. The asset is depreciated using the UOP method over its expected life and the liability is accreted to the projected expenditure date. Provision for land reclamation is reviewed at the end of each of the reporting period and adjusted to reflect the current best estimate. When changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in the timing of the performance of reclamation activities), the revisions to the obligation and the asset are recognised at the appropriate discount rate.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgements used in preparing consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's consolidated financial statements, are disclosed below.

4.1 Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions adopted that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of trade and other receivables and contract assets

The Group makes allowance for impairment on trade receivables and contract assets following the accounting policy set out in note 3.13(ii). The Group uses judgement in making assumptions and selecting inputs to determine the ECLs calculations of trade receivables and contract assets, which mainly based on the Group's historical credit loss experience, existing market conditions as well as forward-looking estimates at the end of the reporting period. For other receivables and deposits, the Group assessed ECLs by considering probabilities of default of the counterparties which also requires judgement by the management. Further details about the ECLs assessment are set out in note 44(a).

(ii) Impairment of goodwill and other non-current assets of mining operation

For the purpose of performing impairment assessment as disclosed in notes 19 and 20, the recoverable amount of the CGUs in the mining operation segment were determined based on fair value less costs of disposal which was derived using discounted cash flow expected to be derived from the CGUs. The values of the cash flow are impacted by estimation of mineral reserves, the expected tonnes and grade of mineral mined, long-term commodity prices, production costs, operating expenditure, capital expenditure as well as appropriate discount rate. Future changes in the circumstances and conditions underlying the estimates and judgement exercised may affect the estimation of the recoverable amount and thus result in adjustment to the carrying amounts of those assets comprising the CGUs. Details of the impairment assessment are set out in notes 19 and 20.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)

4.1 Estimation uncertainty (Continued)

(iii) Current tax and deferred tax

Estimation and judgement is required in determining the amount of the provision for taxes and the timing of payment of the related taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

(iv) Impairment of other intangible assets with infinite useful lives

For the purpose of performing impairment assessments for the permanent land use right, production permits and production quotas as disclosed in note 20, the recoverable amount of the CGUs were determined based on value in use which was derived using discounted cash flow expected to be derived from the CGUs. The values of the cash flow are impacted by estimation of average growth rate, average operating margin, discount rate and long-term growth rate. Future changes in the circumstances and conditions underlying the estimates and judgement exercised may affect the estimation of the recoverable amount and thus result in adjustment to the carrying amounts of the other intangible assets.

4.2 Critical judgements in applying accounting policies

Going concern assumption

As disclosed in note 3.1, the consolidated financial statements have been prepared on a going concern basis. The appropriateness of using going concern basis is assessed after taking into consideration all relevant available information about the future liquidity and performance of the Group, including the Group's cash position and the operating cash inflow of the Group, availability of financing facilities, and the timing of repayment to the creditors. Actual outcome could differ significantly and hence render the adoption of the going concern basis inappropriate.

5. REVENUE

The principal activities of the Group and the disaggregation of revenue from contracts with customers are disclosed in notes 1 and 15, respectively. An analysis of the revenue from the Group's principal activities is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers from continuing operations		
Sales of explosives	**568,634**	715,295
Provision of blasting operations	**293,796**	135,513
Sales of mineral concentrates	**833,077**	515,559
	1,695,507	1,366,367

6. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Bank interest income	**6,093**	5,316
Other interest income	**1,561**	725
Government grants (note (i))	**5,263**	6,181
Net foreign exchange gain	**–**	158
Gain on disposal of property, plant and equipment	**923**	–
Waiver income (note (ii))	**8,655**	32,511
Income on the release of the provision of the legal obligation (note 25)	**9,544**	–
Compensation income (note 25)	**–**	25,352
Sundry income	**6,475**	5,339
	38,514	75,582

Notes:

(i) Government grants mainly represent value-added tax refund and research and development subsidies received from the PRC government. The Group does not have unfulfilled obligations relating to these grants.

(ii) During the year ended 31 March 2024, a creditor of Sichuan Hongda waived an amount owing by Tibet Tianren of RMB32,511,000 and the obligation pursuant to the relevant contract has been discharged.

During the year ended 31 March 2025, the creditor from which the Group acquired production quota in prior year waived an outstanding consideration payable by the Group of RMB8,655,000 (2024: Nil).

7. PROFIT FROM OPERATIONS

Profit from operations for continuing operations is arrived at after charging/(crediting) the following:

	2025 RMB'000	2024 RMB'000
Auditor's remuneration	**2,822**	2,987
Costs of inventories recognised as expenses	**812,325**	701,232
Write-off of inventories#	**–**	3,312
Write-off of prepayment	**3,548**	–
Amortisation of intangible assets*	**17,040**	12,716
Depreciation for property, plant and equipment	**104,869**	91,962
Depreciation for right-of-use assets	**3,255**	3,164
(Gain)/loss on disposal of property, plant and equipment, net	**(923)**	893
Net foreign exchange loss/(gain)	**406**	(158)
Research and development costs@	**38,086**	38,119
Staff costs (including directors' emoluments) (note 8)	**189,766**	201,227

* included as to RMB17,006,000 (2024: RMB12,692,000) in cost of goods sold and services provided and RMB34,000 (2024: RMB24,000) in administrative and other operating expenses in the consolidated statement of comprehensive income

@ included in administrative and other operating expenses in the consolidated statement of comprehensive income

included in cost of goods sold and services provided in the consolidated statement of comprehensive income

8. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	2025 RMB'000	2024 RMB'000
Continuing operations		
Salaries, wages and other benefits	**153,957**	158,006
Contributions to defined contribution retirement plans (note)	**35,809**	43,221
	189,766	201,227

Note:

The Group operated the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. The MPF Scheme is a defined contribution retirement benefits scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. With effect from 1 January 2018, employer voluntary contributions are made, under specific criteria set out in the Company's policy, as a part of the employee benefits program. The Group has no further payment obligations once the contributions have been paid. Contributions to the MPF Scheme are recognised as an expense in profit or loss when the services are rendered by the employees.

The employees of the subsidiaries of the Company which operate in the PRC are required to participate in a central pension scheme operated by the local municipal governments. These PRC subsidiaries are required to contribute a specified percentage of their payroll costs to the central pension scheme to fund the benefits. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's obligations under these plans are limited to the fixed percentage contribution payable.

In respect of the subsidiary established in Tajikistan, the Group has contributed to the state pension scheme of Tajikistan, which is administrated by the State Social Fund. The pension scheme is a defined contribution scheme. The contribution is calculated at certain percentages of the minimum wages. The Group does not have any pension arrangements separate from the state pension system of Tajikistan. In addition, the Group has no post-retirement benefits or other significant compensation plan in Tajikistan.

For the year ended 31 March 2025, no forfeited contribution in respect of the above defined contribution retirement plans was utilised by the Group to reduce the contribution payable to the plans (2024: Nil).

9. DIRECTORS' EMOLUMENTS

Directors' emoluments are disclosed as follows:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
For the year ended 31 March 2025				
Executive directors				
Qin Chunhong	–	1,264	15	1,279
Liu Fali	–	1,177	15	1,192
Ma Tianyi	–	1,017	17	1,034
Ma Ye	211	–	–	211
Ma Yong (Appointed on 14 April 2023)	221	–	–	221
Independent non-executive directors				
Ha Suoku	110	–	–	110
Li Xu (Appointed on 20 April 2023)	110	–	–	110
Zhang Jinghua (Resigned on 28 February 2025)	110	–	–	110
Hu Jingqiang (Appointed on 28 February 2025)	–	–	–	–
	762	3,458	47	4,267
For the year ended 31 March 2024				
Executive directors				
Qin Chunhong	309	–	–	309
Liu Fali	309	387	–	696
Ma Tianyi	–	808	16	824
Ma Ye	218	–	–	218
Ma Yong (Appointed on 14 April 2023)	211	–	–	211
Ma Gangling (Resigned on 14 April 2023)	9	–	–	9
Independent non-executive directors				
Ha Suoku	109	–	–	109
Li Xu (Appointed on 20 April 2023)	103	–	–	103
Zhang Jinghua (Resigned on 28 February 2025)	109	–	–	109
Yao Yunzhu (Resigned on 20 April 2023)	6	–	–	6
	1,383	1,195	16	2,594

No incentive payment or compensation for loss of office was paid or payable to any directors during the year ended 31 March 2025 (2024: Nil).

10. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

During the year ended 31 March 2025, three (2024: two) of the directors whose emoluments are disclosed in note 9 were among the five individuals of the Group with the highest emoluments. The emoluments of the remaining two (2024: three) highest paid non-director individuals for the current year are as follows:

	2025 **RMB'000**	2024 RMB'000
Salaries, allowances and other benefits in kind	**1,456**	2,097
Contributions to defined contribution retirement plans	**32**	84
	1,488	2,181

The emoluments of the two (2024: three) highest paid non-director individuals are within the following band:

	2025 **No. of individuals**	2024 No. of individuals
HK$Nil to HK$1,000,000	**2**	3

No emolument was paid by the Group to any of the non-director highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office in the current year or in prior year.

The emoluments paid or payable to members of senior management (excluding directors) are within the following band:

	2025 **No. of individuals**	2024 No. of individuals
HK$Nil to HK$1,000,000	**3**	3

11. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities (note 17(b))	**71**	102
Interest expense on bank borrowings	**12,488**	11,715
Interest expense on other borrowings	**14,421**	15,424
Unwinding interest on provision for rehabilitation	**3,474**	–
	30,454	27,241
Less: interest capitalisation	**(25,261)**	(1,004)
	5,193	26,237

Borrowing costs capitalised at rate ranging from 1.85% to 3.35% per annum (2024: 1.85%) during the year arose on the specific and general borrowings (2024: specific borrowings) for the expenditure on construction in progress.

12. INCOME TAX EXPENSE

Income tax expense comprises:

	2025 RMB'000	2024 RMB'000
Current tax for the year		
PRC Enterprise Income Tax ("EIT")		
– provision for the year	**94,011**	29,480
– under/(over)-provision in respect of previous years	**3,666**	(1,864)
	97,677	27,616
Tajikistan Corporate Income Tax		
– provision for the year	**8,841**	10,441
– under-provision in respect of previous year	**488**	–
	9,329	10,441
Deferred tax for the year (note 18)	**14,025**	36,979
	121,031	75,036

12. INCOME TAX EXPENSE (Continued)

No provision for Hong Kong profits tax is made for current year and prior year as there is no assessable profits arising in Hong Kong for both years. Tajikistan Corporate Income Tax rate is calculated at applicable rates of 23% (for activities other than goods production) and 13% (for activity of goods production) respectively; whereas EIT is calculated at the applicable rate of 25%, except that:

(i) A PRC subsidiary of the Company which has obtained the New and Hi-tech Enterprise recognition is entitled to enjoy preferential EIT rate of 15% for a period of 3 years from 7 December 2024.

(ii) Three PRC subsidiaries of the Company are entitled to enjoy preferential EIT rate of 15% under the Western Development Policy.

(iii) Three branches and two subsidiaries of the Company which are located in the Tibet Autonomous Region of the PRC are entitled to preferential tax rate. For one of the subsidiaries, based on the tax ruling announced by the PRC central tax authorities, the EIT rate of Lhasa is 9% from year 2015 to year 2025, which will resume to 15% from year 2026 onwards if no further announcement from the PRC central tax authorities is made. For other branches and subsidiary, the EIT rate was 15%.

(iv) The Group operates in certain jurisdictions where the Pillar Two Rules are enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750 million. The management of the Group considered that the Group is not liable to top-up tax under the Pillar Two Rules.

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

	2025	2024
	RMB'000	RMB'000
Profit before income tax	**446,408**	331,057
Tax calculated at the rates applicable to the tax jurisdictions concerned	**108,115**	77,718
Tax effect of exemptions or preferential treatment granted to certain subsidiaries	**(12,545)**	(15,853)
Tax effect of non-deductible expenses	**17,418**	22,537
Tax effect of non-taxable income	**(7,199)**	(6,353)
Tax effect of share of results of associates	**(4,536)**	(3,410)
Tax loss not recognised	**10,394**	4,629
Utilisations of tax loss previously not recognised	**(296)**	(5,345)
Under/(over)-provision in respect of previous years	**4,154**	(1,864)
Withholding tax on dividends received from subsidiaries during the year not recognised	**5,232**	2,149
Effect of withholding tax on the undistributed profits of PRC subsidiaries	**294**	828
Income tax expense	**121,031**	75,036

13. DISCONTINUED OPERATION

During the year ended 31 March 2024, the Group has deregistered the subsidiary which carried out all of the Group's business of bulk mineral trade, as the commercial viability of the business is not promising. The deregistration constituted as disposal and was completed in April 2023, on which date control of the subsidiary has been lost.

The post-tax loss of discontinued operation was determined as follows:

	2024 RMB'000
Results of discontinued operation	
Revenue	–
Administrative and other operating expenses	(281)
Loss on deregistration of the subsidiary involving in the discontinued operation after tax	(261)
Loss for the year	(542)
The consolidated statements of cash flows includes the following amounts related to the discontinued operation:	
Operating cash flows	(281)
Investing cash flows	–
Financing cash flows	346
Net cash from discontinued operation	65

14. EARNINGS PER SHARE

For continuing and discontinued operations

Basic earnings per share

The calculation of the basic earnings per share from continuing and discontinued operations is based on the following data:

	2025 RMB'000	2024 RMB'000
Profit for the year attributable to owners of the Company	164,117	131,028

	2025 '000	2024 '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,499,371	3,496,414

For continuing operations

The calculation of the basic earnings per share from continuing operations is based on the following data:

	2025 RMB'000	2024 RMB'000
Profit for the year attributable to owners of the Company	164,117	131,570

The denominator is the weighted average number of ordinary shares used for the calculation of basic earnings per share for continuing and discontinued operations as detailed above.

For discontinued operation

The calculation of the loss per share from discontinued operation is based on the following data:

	2025 RMB'000	2024 RMB'000
Loss for the year attributable to owners of the Company	–	(542)

The denominator is the weighted average number of ordinary shares used for the calculation of basic earnings per share for continuing and discontinued operations as detailed above. Basic loss per share for the discontinued operation is Nil (2024: RMB0.001) per share.

Diluted earnings per share

There was no dilutive potential ordinary share in issue during the years ended 31 March 2025 and 2024.

15. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provide information about components of the Group. The information are reported to and reviewed by the Board, the chief operating decision-makers, for the purpose of resource allocation and performance assessment.

An operating segment regarding the bulk mineral trade, which represented the trading of non-ferrous metals and minerals in Hong Kong and the PRC, was discontinued in last financial year. The segment information reported in this note does not include any amounts for this discontinued operation, which is described in more detail in note 13.

The Group has identified and presented the segment information for the following reportable operating segments. These segments are managed separately.

Continuing operations

- Mining operation: exploration, mining and processing of pyrite, iron ore, copper and molybdenum and sales of the said mineral products in the PRC
- Explosives trading and blasting services: manufacturing and sales of explosives and provision of blasting operations in the PRC and Tajikistan

Segment revenue, results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Board monitor the results, assets and liabilities attributable to each reportable operating segment on the following basis:

Revenue and expenses are allocated to the operating segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Head office and corporate expenses including directors' emolument which are managed on group basis are not allocated to individual segments. Segment profit also excludes tax, other income and other operating expenses which are not directly attributable to the operating segments.

Segment assets principally comprise non-current assets and current assets directly attributable to each segment and exclude amounts due from related parties, unallocated cash and cash equivalents, deferred tax assets and unallocated corporate assets.

Segment liabilities include trade payables, other payables, accrued liabilities and other liabilities which are directly attributable to the business activities of the operating segments and exclude amounts due to related parties, dividend payable, income tax payable, deferred tax liabilities and unallocated corporate liabilities.

15. SEGMENT INFORMATION (Continued)

Segment revenue, results, assets and liabilities (Continued)

Segment revenue and segment results

For the year ended 31 March 2025

	Continuing operations		
	Mining operation RMB'000	**Explosives trading and blasting services RMB'000**	**Total RMB'000**
Segment revenue			
External sales	**854,628**	**840,879**	**1,695,507**
Segment profit	**220,701**	**253,123**	**473,824**
Unallocated income			**2,485**
Unallocated corporate expenses			**(29,901)**
Profit before income tax from continuing operations			**446,408**

For the year ended 31 March 2024

	Continuing operations		
	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Segment revenue			
External sales	563,358	803,009	1,366,367
Segment profit	177,526	168,394	345,920
Unallocated income			3,131
Unallocated corporate expenses			(17,452)
Profit before income tax from continuing operations			331,599

15. SEGMENT INFORMATION (Continued)

Segment revenue, results, assets and liabilities (Continued)

Segment assets and liabilities

As at 31 March 2025

	Continuing operations		
	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Segment assets	3,133,406	1,183,660	4,317,066
Amounts due from related parties			29,044
Unallocated cash and cash equivalents			204,729
Deferred tax assets			44,228
Unallocated corporate assets			8,345
Consolidated total assets			4,603,412
Segment liabilities	1,774,250	490,570	2,264,820
Amounts due to related parties			93,472
Dividend payable			6,972
Income tax payable			46,319
Deferred tax liabilities			10,880
Unallocated corporate liabilities			5,461
Consolidated total liabilities			2,427,924

15. SEGMENT INFORMATION (Continued)

Segment revenue, results, assets and liabilities (Continued)

Segment assets and liabilities (Continued)

As at 31 March 2024

	Continuing operations		
	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Segment assets	2,775,446	1,013,819	3,789,265
Amounts due from related parties			35,122
Unallocated cash and cash equivalents			19,332
Deferred tax assets			57,959
Unallocated corporate assets			24,823
Consolidated total assets			3,926,501
Segment liabilities	1,707,623	364,951	2,072,574
Amounts due to related parties			132,671
Dividend payable			5,813
Income tax payable			9,493
Deferred tax liabilities			10,586
Unallocated corporate liabilities			3,678
Consolidated total liabilities			2,234,815

15. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended as at 31 March 2025

	Continuing operations				
	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Sub-total RMB'000	Unallocated RMB'000	Total RMB'000
Additions to specified non-current assets*	392,789	66,950	459,739	2,582	462,321
Interest income	368	5,520	5,888	1,766	7,654
Interest expenses	30,102	338	30,440	14	30,454
Depreciation and amortisation	95,127	28,426	123,553	1,611	125,164
Impairment loss on trade receivables	14,920	6,932	21,852	–	21,852
Write-off of prepayment	–	3,548	3,548	–	3,548
Reversal of impairment loss on other receivables	–	1,192	1,192	–	1,192
Share of profit of associates	–	18,146	18,146	–	18,146
Interests in associates	–	64,550	64,550	–	64,550

* including additions to the Group's property, plant and equipment, right-of-use assets and other intangible assets, and increase in non-current prepayments for purchase of property, plant and equipment and land use right.

15. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended as at 31 March 2024

	Continuing operations				
	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Sub-total RMB'000	Unallocated RMB'000	Total RMB'000
Additions to specified non-current assets*	193,309	98,060	291,369	1	291,370
Interest income	3,478	1,208	4,686	1,355	6,041
Interest expenses	25,179	2,049	27,228	13	27,241
Depreciation and amortisation	77,892	28,004	105,896	1,946	107,842
Impairment loss on trade receivables	–	17,838	17,838	–	17,838
Reversal of impairment loss on other receivables	–	633	633	–	633
Reversal of impairment loss on property, plant and equipment	14,837	–	14,837	–	14,837
Reversal of impairment loss on other intangible assets	6,560	–	6,560	–	6,560
Share of profit of associates	–	13,638	13,638	–	13,638
Loss on disposal of a subsidiary	4,822	–	4,822	–	4,822
Loss on disposal of an associate	–	473	473	–	473
Interests in associates	–	50,573	50,573	–	50,573

15. SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers

For the year ended 31 March 2025

	Continuing operations		
	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Primary geographic market			
– The PRC	854,628	741,190	1,595,818
– Tajikistan	–	99,689	99,689
	854,628	840,879	1,695,507
Timing of revenue recognition			
At a point in time			
– Sales of mineral concentrates	833,077	–	833,077
– Sales of explosives	21,551	547,083	568,634
	854,628	547,083	1,401,711
Transferred over time			
– Provision of blasting operations	–	293,796	293,796
	854,628	840,879	1,695,507

15. SEGMENT INFORMATION (Continued)

Disaggregation of revenue from contracts with customers (Continued)

For the year ended 31 March 2024

	Continuing operations		
	Mining operation RMB'000	Explosives trading and blasting services RMB'000	Total RMB'000
Primary geographic market			
– The PRC	563,358	686,203	1,249,561
– Tajikistan	–	116,806	116,806
	563,358	803,009	1,366,367
Timing of revenue recognition			
At a point in time			
– Sales of mineral concentrates	515,559	–	515,559
– Sales of explosives	47,799	667,496	715,295
	563,358	667,496	1,230,854
Transferred over time			
– Provision of blasting operations	–	135,513	135,513
	563,358	803,009	1,366,367

15. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are conducted in Hong Kong, other region of the PRC and Tajikistan.

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

	Revenue from external customers		Specified non-current assets	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
The PRC (country of domicile)	**1,595,818**	1,249,561	**3,147,815**	2,859,800
Hong Kong	**–**	–	**1,927**	420
Tajikistan	**99,689**	116,806	**104,315**	68,635
Kyrgyzstan	**–**	–	**22**	–
	1,695,507	1,366,367	**3,254,079**	2,928,855

Information about major customers

Revenue from external customers contributing 10% or more of the total revenue of the Group is as follows:

	2025	2024
	RMB'000	RMB'000
Explosive trading and blasting services		
– Customer A	**N/A***	146,411
Mining operation		
– Customer B	**362,866**	N/A*
– Customer C	**N/A***	389,481

* Revenue from the customer did not contribute 10% or more of the total revenue of the Group for the year.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Furniture and equipment RMB'000	Motor vehicles RMB'000	Mining infrastructures RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:								
As at 1 April 2023	244,673	250	265,045	12,851	93,764	981,478	737,721	2,335,782
Additions	3,991	–	11,508	2,466	7,443	–	157,784	183,192
Transfers	24,185	–	14,795	–	–	32,627	(71,607)	–
Disposal of a subsidiary (note 34)	–	–	–	(108)	–	–	–	(108)
Disposals	(768)	–	(4,493)	(626)	(6,928)	–	–	(12,815)
Exchange alignment	2,133	12	817	44	154	–	21	3,181
As at 31 March 2024	274,214	262	287,672	14,627	94,433	1,014,105	823,919	2,509,232
Additions	4,993	–	21,298	11,144	6,398	2,079	211,931	257,843
Transfers	14,450	–	3,631	400	–	521	(19,002)	–
Disposals	(345)	–	(1,512)	(2,087)	(5,664)	–	–	(9,608)
Exchange alignment	672	2	265	13	47	–	26	1,025
As at 31 March 2025	293,984	264	311,354	24,097	95,214	1,016,705	1,016,874	2,758,492
Accumulated depreciation and impairment:								
As at 1 April 2023	74,820	126	115,873	6,938	85,061	98,041	14,837	395,696
Depreciation	14,252	82	22,936	1,392	4,008	49,292	–	91,962
Disposal of a subsidiary (note 34)	–	–	–	(22)	–	–	–	(22)
Written back upon disposals	(540)	–	(4,116)	(583)	(5,130)	–	–	(10,369)
Reversal of impairment loss (note 20)	–	–	–	–	–	–	(14,837)	(14,837)
Exchange alignment	680	7	318	26	102	–	–	1,133
As at 31 March 2024	89,212	215	135,011	7,751	84,041	147,333	–	463,563
Depreciation	14,637	37	24,979	6,600	3,849	54,767	–	104,869
Written back upon disposals	(344)	–	(1,264)	(1,985)	(5,122)	–	–	(8,715)
Exchange alignment	260	10	120	2	42	–	–	434
As at 31 March 2025	103,765	262	158,846	12,368	82,810	202,100	–	560,151
Net carrying amount:								
As at 31 March 2025	190,219	2	152,508	11,729	12,404	814,605	1,016,874	2,198,341
As at 31 March 2024	185,002	47	152,661	6,876	10,392	866,772	823,919	2,045,669

At the end of the reporting period, the directors of the Company performed impairment assessment for the mining right (note 20) together with property, plant and equipment and other non-current assets which collectively form the CGUs in the mining operation segment. Details of the impairment assessment are set out in notes 19 and 20.

17. LEASES

The Group has lease contracts for leasehold land, office premises, staff quarters, and motor vehicles. Lump sum payments were made upfront to acquire the interests in the leasehold land in the PRC. Leases of office premises and staff quarters generally have initial lease terms ranging from 1 to 5 years. Leases of motor vehicles ran for 3 to 10 years.

Lease payments of all of the leases above are fixed over the lease terms and do not include contingent rental.

For certain leases of machinery, office premises and staff quarters which have lease terms of 12 months, the Group did not capitalise these leases by applying the short-term lease recognition exemption.

(a) Right-of-use assets

The movements of the right-of-use assets in respect of the above leases during the year are set out below:

	Leasehold land RMB'000	Office premises and staff quarters RMB'000	Motor vehicles RMB'000	Total RMB'000
As at 1 April 2023	31,401	3,803	–	35,204
Additions	11,004	–	–	11,004
Depreciation	(958)	(2,206)	–	(3,164)
Exchange realignment	–	75	–	75
As at 31 March 2024	41,447	1,672	–	43,119
Additions	–	2,556	2,668	5,224
Depreciation	(1,025)	(1,920)	(310)	(3,255)
Exchange alignment	–	20	–	20
As at 31 March 2025	40,422	2,328	2,358	45,108

17. LEASES (Continued)

(b) Lease liabilities

The movements of the lease liabilities in respect of the leases of office premises, staff quarters and motor vehicles are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	2,637	4,849
New leases	5,224	–
Interest expense	71	102
Payments	(4,735)	(2,396)
Exchange realignment	18	82
At the end of the year	3,215	2,637
Classified under:		
Non-current portion	481	814
Current portion	2,734	1,823
	3,215	2,637

Future lease payments are due as follows:

	2025		
	Minimum lease payments RMB'000	Interest RMB'000	Present value of minimum lease payments RMB'000
Within 1 year	2,767	33	2,734
1 to 2 years	481	–	481
	3,248	33	3,215

17. LEASES (Continued)

(b) Lease liabilities (Continued)

	2024		
	Minimum lease payments RMB'000	Interest RMB'000	Present value of minimum lease payments RMB'000
Within 1 year	1,881	58	1,823
1 to 2 years	836	22	814
	2,717	80	2,637

(c) Information in relation to short-term leases

	2025 RMB'000	2024 RMB'000
Short-term lease expenses	**2,400**	1,770
Aggregate undiscounted commitments for short-term leases	**844**	50

18. DEFERRED TAX ASSETS/(LIABILITIES)

The movements of the deferred tax assets/(liabilities) recognised at the end of the reporting period are as follows:

	Tax losses and depreciation allowance RMB'000	**Fair value adjustments arising from acquisition of a subsidiary** RMB'000	**Unrealised profits** RMB'000	**Undistributed profits of the PRC subsidiaries** RMB'000	**Total** RMB'000
At 1 April 2023	74,415	17,083	2,612	(9,758)	84,352
(Charged)/credited to profit or loss (note 12)	(37,712)	(861)	2,422	(828)	(36,979)
At 31 March and 1 April 2024	36,703	16,222	5,034	(10,586)	47,373
(Charged)/credited to profit or loss (note 12)	(13,607)	(969)	845	(294)	(14,025)
At 31 March 2025	23,096	15,253	5,879	(10,880)	33,348

18. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025	2024
	RMB'000	RMB'000
Deferred tax assets	**44,228**	57,959
Deferred tax liabilities	**(10,880)**	(10,586)
	33,348	47,373

As at 31 March 2025, the Group had deductible temporary differences arising from unused tax losses arising in the PRC of RMB75,947,000 (2024: RMB96,878,000) and depreciation allowance of RMB92,383,000 (2024: RMB85,488,000) available for offset against future profits. Deferred tax assets of RMB23,096,000 (2024: RMB36,703,000) has been recognised in respect of these deductible temporary differences to the extent of RMB92,383,000 (2024: RMB146,812,000). No deferred tax asset has been recognised in respect of the remaining deductible temporary differences of RMB75,947,000 (2024: RMB35,554,000) due to unpredictability of future profits streams. The unused tax losses arising in the PRC will expire in five years (2024: five years) from the year in which the losses arose.

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividend declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008 and the applicable tax rate is 5%.

Deferred tax liabilities of RMB10,880,000 (2024: RMB10,586,000) have been recognised in respect of temporary differences relating to undistributed profits of the Group's PRC subsidiaries amounting to RMB217,608,000 (2024: RMB211,720,000). No deferred tax liability has been recorded on the remaining undistributed profits of RMB652,825,000 (2024: RMB635,140,000) because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

There was no significant unrecognised deferred tax liability (2024: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries in other jurisdictions.

19. GOODWILL

	2025 RMB'000	2024 RMB'000
Cost:		
At the beginning of the year	**132,394**	133,121
Disposal of a subsidiary (note 34)	**–**	(727)
At the end of the year	**132,394**	132,394
Accumulated impairment:		
At the beginning and the end of the year	**89,762**	89,762
Net carrying amount:		
At the end of the year	**42,632**	42,632
At the beginning of the year	**42,632**	43,359

Impairment testing of goodwill

Goodwill with net carrying amount of RMB42,632,000 (2024: RMB42,632,000) is allocated to the CGU (the "Anhui Jinding CGU") which represents the mine operation conducted by Anhui Jinding Mining Co., Ltd ("Anhui Jinding"), a non-wholly owned subsidiary of the Company and is included in the mining operation segment of the Group.

The carrying amount of the Anhui Jinding CGU mainly comprises the goodwill, property, plant and equipment (note 16) with carrying value of RMB1,073,565,000 (2024: RMB1,089,119,000), mining right (note 20) with carrying value of RMB185,859,000 (2024: RMB147,170,000) and other non-current assets attributable to the Anhui Jinding CGU.

The Anhui Jinding CGU is tested for impairment annually, and when impairment indication existed. In performing impairment assessment for the Anhui Jinding CGU, the directors engaged John Boyd Mining Consulting (Beijing) Company Limited, an independent firm of qualified valuers, to assist them in determining the recoverable amount of the Anhui Jinding CGU at the end of the reporting period.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"). The recoverable amounts of this Anhui Jinding CGU as at 31 March 2025 and 31 March 2024 were determined using FVLCD basis.

19. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

The Group uses income approach to estimate the FVLCD of the Anhui Jinding CGU, which comprises cash flow projection prepared based on a production plan of 15 years (2024: 16 years) to the financial year ending 31 March 2040 (2024: 2040), which is the estimated life of mine as determined by a mine expert based on current resources and reserves estimation. The post-tax discount rate applied to the cash flow projection is 11.33% (2024: 10.50%). The cash flow projection covers a period exceeding 5 years as based on the expert opinion, the mine is currently able to operate for 15 years (2024: 16 years). The fair value measurement is categorised into Level 3 fair value hierarchy.

Other key assumptions used in determining the recoverable amount of the Anhui Jinding CGU are as follows:

Reserves – Extraction of probable reserves of 14.29 million tonnes (2024: 15.22 million tonnes) represent key factors the management has considered in the production plan, on the basis of appropriate geological evidence and sampling, with reference to the reserves and resources statement prepared and updated by the mine expert who is an appropriate competent person.

Commodity prices – Commodity prices are based on average prices of the mineral concentrates over the past four years (2024: four years). These prices are reviewed at least annually.

Production volume – Estimated production volume are based on the detailed life of mine plans taking into account development plans of the mine agreed by management as part of the long-term planning process. Management assumed production volume to be 1 million tonnes per annum ("p.a.") during the first 14 years (2024: 15 years) and reduce to 290,000 tonnes (2024: 200,000 tonnes) in the last year.

Operating costs – Operating costs are estimated with reference to the historical operating costs over the past three years.

Capital expenditure – As at 31 March 2025, capital planned for operation over the life of the mine includes capital for expansion and replacement capital for the coming 2 years (2024: 3 years) for expansion of gold processing facilities, development of deep underground mining area and stay-in business capital. The stay-in-business capital is estimated to be RMB9 million to RMB13 million (2024: RMB9 million to RMB13 million) per year based on historical capital expenditure of Anhui Jinding, except for the financial year ending 31 March 2032 which is estimated to be RMB40 million (2024: RMB36 million) when a major replacement of production equipment is expected.

Discount rate – The post-tax discount rate used is in real term and reflect specific risks relating to the Anhui Jinding CGU.

The values assigned to key assumptions are consistent with external information sources.

19. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Based on the result of the impairment assessment, the recoverable amount of the Anhui Jinding CGU was higher than its carrying value as at 31 March 2025. Accordingly, the management of the Group determined that impairment loss is not required for the current year.

In the opinion of the directors, a reasonably possible change in the following key assumptions of the cash flow projection may cause Anhui Jinding CGU's carrying amount to exceed its recoverable amount and give rise to impairment loss:

	% decrease/ increase	Impairment loss RMB'000
Decrease in commodity price		
– Copper concentrate	5%	–
– Gold	5%	13,000
– Sulfur concentrate	5%	3,000
Increase in discount rate	1%	22,000

20. OTHER INTANGIBLE ASSETS

	Permanent land use right RMB'000	Production permits RMB'000	Production quotas RMB'000	Production quotas use right RMB'000	Mining rights RMB'000	Computer software RMB'000	Patents RMB'000	Total RMB'000
Cost:								
As at 1 April 2023	2,673	25,824	69,245	12,736	492,132	323	298	603,231
Additions	–	–	76,901	–	16,116	–	–	93,017
Disposal of a subsidiary (note 34)	–	–	–	–	(10,104)	–	–	(10,104)
Exchange realignment	133	1,291	–	–	397	–	–	1,821
As at 31 March 2024	2,806	27,115	146,146	12,736	498,541	323	298	687,965
Additions	–	–	–	–	66,824	156	–	66,980
Exchange realignment	42	407	–	–	–	–	–	449
As at 31 March 2025	2,848	27,522	146,146	12,736	565,365	479	298	755,394
Accumulated amortisation and impairment:								
As at 1 April 2023	–	–	–	2,830	23,532	229	298	26,889
Charge for the year	–	–	–	4,245	8,447	24	–	12,716
Reversal of impairment loss	–	–	–	–	(6,560)	–	–	(6,560)
As at 31 March 2024	–	–	–	7,075	25,419	253	298	33,045
Charge for the year	–	–	–	4,245	12,761	34	–	17,040
As at 31 March 2025	–	–	–	11,320	38,180	287	298	50,085
Net carrying amount:								
As at 31 March 2025	2,848	27,522	146,146	1,416	527,185	192	–	705,309
As at 31 March 2024	2,806	27,115	146,146	5,661	473,122	70	–	654,920

20. OTHER INTANGIBLE ASSETS (Continued)

Production quotas use right

Production quotas use right relates to a lease of production quotas from an independent third party corporate for three years and is included in the explosive trading and blasting services segment.

Permanent land use right, production permits and production quotas

The useful lives of the permanent land use right and the production permits for the operation in Tajikistan and the production quotas for the operation in the PRC are assessed by management to be indefinite. These assets are tested for impairment annually, and no impairment provision was recorded as at 31 March 2025 (2024: Nil).

Permanent land use right and production permits

Permanent land use right and production permits were tested for impairment at CGU level and the CGU which is included in the explosives trading and blasting services segment is conducted by Subsidiary A (as defined in note 47). Other than the permanent land use right and the production permits, property, plant and equipment of RMB46,040,000 and prepayment of property, plant and equipment of RMB27,904,000 that generate cash flows together are also included in the CGU for the purpose of impairment assessment. The recoverable amount of this CGU was determined using VIU basis, which comprises cash flow projections prepared based on the financial budget approved by the management. The period covered by the financial budget is five years. Key assumptions used in the VIU calculation of the CGU include:

Subsidiary A

(a) Average growth rate of 0% (2024: 0%)
(b) Average operating margin of 58% (2024: 58%)
(c) Pre-tax discount rate of 19% (2024: 18%)
(d) Growth rate in extrapolation of cash flows beyond five years of 2% (2024: 0%)

Production quotas

Production quotas were tested for impairment at CGU level and the respective CGUs which are included in the explosives trading and blasting services segment are conducted by Subsidiary B and Subsidiary C (as defined in note 47). Other than the production quotas, property, plant and equipment and of RMB41,893,000 and RMB31,309,000 that generate cash flows together are also included in Subsidiary B and Subsidiary C, respectively, for the purpose of impairment assessment. The recoverable amounts of these CGUs were determined using VIU basis, which comprises the respective cash flow projections prepared based on the financial budget approved by the management. The period covered by the financial budget is five years. key assumptions used in the VIU calculation of the CGUs include:

Subsidiary B

(a) Average growth rate of 0% (2024: 0%)
(b) Average operating margin of 51% (2024: 41%)
(c) Pre-tax discount rate of 7.1% (2024: 7.9%)
(d) Growth rate in extrapolation of cash flows beyond five years of 0% (2024: 0%)

Subsidiary C

(a) Average growth rate of 0% (2024: 0%)
(b) Average operating margin of 49% (2024: 43%)
(c) Pre-tax discount rate of 7.1% (2024: 7.9%)
(d) Growth rate in extrapolation of cash flows beyond five years of 0% (2024: 0%)

20. OTHER INTANGIBLE ASSETS (Continued)

Permanent land use right, production permits and production quotas (Continued)

The discount rates used reflects specific risk relating to Subsidiary A, Subsidiary B and Subsidiary C. Management estimated the operating margins and growth rates within five-year period based on past experience in explosive business in Tajikistan and the PRC where the above subsidiaries operate. The growth rates used in extrapolation of cash flows of Subsidiary A, Subsidiary B and Subsidiary C beyond the five-year period have been determined with reference to the long-term average growth rate of the explosive industry.

As at 31 March 2025 and 2024, the VIU of each respective CGUs significantly exceeded their carrying amounts, and hence the permanent land use right, the production permits and the production quotas allocated to the respective CGUs were not regarded as impaired.

Mining rights

The mining rights were acquired through the acquisition of 51% equity interest Anhui Jinding and the deemed acquisition of Tibet Tianren in previous years.

(a) *Anhui Jinding*

The mining right is in respect of a mine located at Lujiang County, Anhui Province, the PRC with an aggregate area of mine field of approximately 1.304 km^2 (the "Huangtun Pyrite Mine"). The mining licence for the Huangtun Pyrite Mine lasts for a period of 27 years which will expire in August 2043. The Huangtun Pyrite Mine contains deposits including cooper, gold, pyrite and iron ore.

At the end of the reporting period, the directors of the Company performed impairment assessment of the mining right together with goodwill, property, plant and equipment and other non-current assets which collectively form the Anhui Jinding CGU of the mining operation. Details of the impairment assessment are set out in note 19.

The mining right of Anhui Jinding with carrying value of approximately RMB185,859,000 (2024: RMB147,170,000) was pledged to secure the bank borrowings and the entrusted borrowing (note 28).

(b) *Tibet Tianren*

The mining right is in respect of a mine located at Maizhokunggar County, Tibet, the PRC with an aggregate area of mine field of approximately 2.419 km^2 (the "Bangpu Mine"). The mining licence for the Bangpu Mine lasts for a period of around 22 years which will expire in October 2047. The Bangpu Mine contains deposits including molybdenum and copper. The Banpu Mine is in the stage of mine development, which is expected to commence commercial production in the financial year ending 31 March 2028.

At the end of the reporting period, the directors of the Company performed impairment assessment of the mining right together with property, plant and equipment and other non-current assets of Tibet Tianren which collectively form the CGU ("Tibet Tianren CGU") as included in the mining operation segment of the Group.

20. OTHER INTANGIBLE ASSETS (Continued)

Mining rights (Continued)

(b) Tibet Tianren (Continued)

As at 31 March 2025, the mining right of Tibet Tianren with carrying value of approximately RMB341,326,000 (2024: RMB325,952,000) was pledged to secure a bank borrowing (note 28).

In performing impairment assessment for the Tibet Tianren CGU, the directors engaged John Boyd Mining Consulting (Beijing) Company Limited to determine the recoverable amount of the Tibet Tianren CGU at the end of the reporting period.

Recoverable amount is the higher of FVLCD and VIU. The recoverable amounts of the Tibet Tianren CGU as at 31 March 2025 and 31 March 2024 were determined using FVLCD basis.

The Group uses income approach to estimate the FVLCD of the Tibet Tianren CGU, which comprises cash flow projection prepared based on a mine development plan of around 20 months and a mine production plan of around 21 years (2024: 20 years) to the financial year ending 31 March 2048 (2024: 2046), which is the estimated life of mine as determined by a mine expert based on current resources and reserves estimation. The post-tax discount rate applied to the cash flow projection is 12.07% (2024: 10.60%). The cash flow projection cover a period exceeding 5 years as based on the expert opinions, the mine is currently able to operate for around 21 years (2024: 20 years). The fair value measurement is categorised into Level 3 fair value hierarchy.

Other key assumptions used in determining the recoverable amount of the Tibet Tianren CGU are as follows:

Reserves – Extraction of probable reserves of 122.9 million tonnes (2024: 115.7 million tonnes) represent key factors the management has considered in the production plan, on the basis of appropriate geological evidence and sampling, with reference to the reserves and resources statement prepared and updated by the mine expert who is an appropriate competent person.

Commodity prices – Commodity prices are based on the average prices of molybdenum and copper over the past five years and four years (2024: eight years and four years) respectively. These prices are reviewed at least annually.

Production volume – Estimated production volume are based on the detailed life of mine plans taking into account development plans of the mine agreed by management as part of the long-term planning process. Management assumed production volume to be 6 million tonnes p.a. throughout the mine production plan, except for the financial year ending 31 March 2048 (2024: 2046) which is estimated to be 2.94 million tonnes (2024: 3.46 million tonnes).

Operating costs – Operating costs are estimated with reference to a cost forecast issued by a local expert and further adjusted based on the valuer's experience.

20. OTHER INTANGIBLE ASSETS (Continued)

Mining rights (Continued)

(b) Tibet Tianren (Continued)

Capital expenditure – As at 31 March 2025, the Bangpu Mine is expected to commence production in financial year ending 31 March 2028 (2024: 2027). All initial capital expenditure required to engineer, design, procure and commission the works is incorporated in the cash flow projection. The capital planned for operation over the life of the mine includes capital for development, replacement capital and the stay-in-business capital. The stay-in-business capital is estimated to be RMB45 million (2024: RMB45 million) per year on average and, except for the financial year ending 31 March 2038 (2024: 2037) which is estimated to be RMB165 million (2024: RMB165 million) when a major replacement of production equipment is expected.

Discount rate – The post-tax discount rate used is in real term and reflect specific risks relating to the Tibet Tianren CGU.

The values assigned to key assumptions are consistent with external information sources.

Based on the result of the impairment assessment, the carrying amount of the Tibet Tianren CGU (which comprises property, plant and equipment (note 16) with carrying amount of RMB942,149,000 (2024: RMB771,554,000 (before reversal of impairment loss)), mining right with carrying amount of RMB341,326,000 (2024: RMB319,392,000 (before reversal of impairment loss)), other non-current assets and working capital attributable to the Tibet Tianren CGU, totalling RMB1,385,113,000 (2024: RMB1,085,465,000) (before reversal of impairment loss), and the recoverable amount of the Tibet Tianren CGU are as follows:

	2025 **RMB'000**	2024 RMB'000
Recoverable amount	**2,083,000**	1,165,125
Carrying amount	**1,385,113**	1,085,465
Amount of identified impairment loss	**N/A**	N/A

As at 31 March 2025, the recoverable amount of the Tibet Tianren CGU was higher than its carrying value as set out above. Accordingly, the management of the Group determined that impairment loss is not required for the current year.

For the year ended 31 March 2024, the impairment losses recognised in previous years on property, plant and equipment and other intangible assets of RMB14,837,000 (note 16) and RMB6,560,000 respectively were reversed.

21. INTEREST IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Share of net assets	–	–

(a) Details of the joint venture are as follows:

Name of joint venture	Form of business structure	Registered capital	Place of establishment and operation	Principal activities	Percentage of ownership interests/voting rights/profit share held by the Group 2025	2024
陝西小山川礦產資源開發建設有限公司 Shaanxi Xiaoshan Chuan Mineral Resources Development and Construction Co., Ltd#	Limited liability company	RMB90 million	PRC	Construction of mining trails, tunnels, public and residential buildings; mechanical and electrical equipment engineering installation; prefabricated components of the experiment; sale of ready-mixed concrete	51%	51%

The English name is for identification purpose only. The official name of the entity is in Chinese.

(b) Summarised financial information in respect of the Group's joint venture which is considered by the directors as immaterial is presented below:

	2025 RMB'000	2024 RMB'000
Share of the joint venture's loss for the year	–	–
Share of the joint venture's total comprehensive income for the year	–	–
Carrying amount of the Group's joint venture	–	–

For the year ended 31 March 2025, the unrecognised share of loss of the joint venture amounted to RMB5,105,000 (2024: RMB1,775,000). The cumulative unrecognised share of losses as at 31 March 2025 amounted to RMB8,114,000 (2024: RMB3,009,000).

(c) Amount due from a joint venture is interest-free, unsecured and repayable on demand. No impairment loss on the amount due from a joint venture was recognised during the year (2024: Nil).

22. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	60,550	46,573
Goodwill on acquisition	4,000	4,000
	64,550	50,573

(a) Details of the associates are as follows:

Name of associate	Form of business structure	Place of establishment and operation	Principal activities	Percentage of ownership interests/voting rights/ profit share held by the Group 2025	2024
內蒙古生力眾成民爆有限公司 Inner Mongolia Shengli Zhongcheng Civil Explosive Company Limited# ("Shengli Zhongcheng")	Limited liability company	PRC	Manufacturing and sale of explosives	25%	25%
烏海市天潤爆破服務有限責任公司 Wuhai City Tianrun Blasting Services Company Limited# ("Tianrun Blasting")	Limited liability company	PRC	Provision of blasting operation and related services	35%	35%
烏海市安盛爆破服務有限責任公司 Wuhai Ansheng Enginering Co. Limited# ("Wuhai Ansheung")	Limited liability company	PRC	Provision of blasting operation and related services	34%	34%

The English names are for identification purpose only. The official names of these entities are in Chinese.

22. INTERESTS IN ASSOCIATES (Continued)

(b) Summarised financial information in respect of the Group's associate which is considered by the directors as material is presented below:

The following table illustrates the summarised financial information in respect of the material associate and reconciled to the carrying amount of the investment in the consolidated financial statements:

Shengli Zhongcheng

	2025	2024
	RMB'000	RMB'000
Current assets	**85,036**	68,700
Non-current assets, excluding goodwill	**83,214**	84,880
Current liabilities	**(10,182)**	(22,321)
Non-current liabilities	**–**	–
Net assets, excluding goodwill	**158,068**	131,259
Reconciliation of the Group's investment in the associate:		
Proportion of the Group's ownership	**25%**	25%
Group's share of net assets of the associate, excluding goodwill	**39,517**	32,815
Goodwill on acquisition of the associate	**4,000**	4,000
Carrying amount of the investment	**43,517**	36,815
Revenue	**89,787**	105,474
Profit for the year	**26,809**	27,321
Total comprehensive income	**26,809**	27,321
Group's share of profit of the associate	**6,702**	6,830
Group's share of total comprehensive income of the associate	**6,702**	6,830
Dividend income from the associate	**–**	16,000

22. INTERESTS IN ASSOCIATES (Continued)

(c) Summarised financial information in respect of the Group's associates which are considered by the directors as immaterial is presented below:

	2025 RMB'000	2024 RMB'000
Share of the associates' profit for the year	**11,444**	6,808
Share of the associates' total comprehensive income for the year	**11,444**	6,808
Aggregate carrying amount of the Group's investments in the associates	**21,033**	13,758
Dividend received from the associates	**4,169**	9,816

(d) Amounts due from associates are interest-free, unsecured and repayable on demand. Included in the amounts due from associates were balances of RMB10,171,000 (2024: RMB19,269,000) in total which arose from entering into trading transactions with the associates as detailed in note 40(a).

The ageing analysis of the amounts due from associates which is trade nature, based on invoice or transaction date, as of the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
0-30 days	**3,672**	4,619
31-90 days	**3,684**	7,719
91 days to 1 year	**2,815**	6,931
	10,171	19,269

23. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**62,559**	50,811
Finished goods	**23,626**	67,184
	86,185	117,995

24. CONTRACT ASSETS AND TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Contract assets	–	144,575
Trade receivables, net	**283,095**	214,239
	283,095	358,814
Bills receivables at FVOCI	**118,092**	29,618
	401,187	388,432

Trade receivables of sales of explosives are due upon presentation of invoices, while the Group grants credit period ranging from 0-60 days to its customers of provision of blasting operations. Customers of sales of mineral concentrates are generally required to pay in advance in full before delivery of mineral concentrates. Bills receivables generally have credit terms ranging from 6 to 12 months.

Contract assets represent retention receivables arising from provision of blasting operations and related services. Typical terms which impact on the amount of contract assets are set out in note 3.14. The expected timing of recovery or settlement for contract assets at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	–	144,575

The ageing analysis of net trade receivables and contract assets, based on invoice or transaction date, as of the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
0-30 days	**63,680**	106,870
31-90 days	**53,149**	39,539
91 days to 1 year	**99,345**	31,114
Over 1 year	**66,921**	181,291
	283,095	358,814

As at 31 March 2025 and 2024, all bills receivables are aged within 1 year.

24. CONTRACT ASSETS AND TRADE AND BILLS RECEIVABLES (Continued)

The movement for the impairment loss of trade receivables is as follows:

	2025	2024
	RMB'000	RMB'000
At the beginning of the year	**34,845**	17,007
Impairment loss recognised for trade receivables arising from contracts with customers	**21,852**	17,838
At the end of the year	**56,697**	34,845

The Group recognised impairment loss for contract assets and trade and bills receivables based on the accounting policies set out in note 3.13(ii). The Group's credit policy and credit risk arising from trade receivables, contract assets and bills receivables are set out in note 44(a)(i).

As at 31 March 2025, the Group endorsed certain bills receivables with carrying amount in aggregate of RMB225,449,000 (2024: RMB324,437,000) (the "Endorsed Bills") for settlement of certain trade payables due to the suppliers. The Endorsed Bills had a maturity of one to six months. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Bills have a right of recourse against the Group only if the PRC banks which issued the bills receivables default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Endorsed Bills. Accordingly, it has derecognised the full carrying amounts of the Endorsed Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Endorsed Bills and the undiscounted cash flows to repurchase these Endorsed Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Endorsed Bills are not significant.

During the years ended 31 March 2025 and 2024, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Bills. No gains or losses were recognised from Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

25. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2025 RMB'000	2024 RMB'000
Indemnification asset (Note)	–	26,077
Prepayments for purchase of property, plant and equipment and land use right	198,139	65,865
Prepayments to subcontractors and suppliers	45,115	55,455
Deposits and other receivables, net	78,964	87,296
Other taxes recoverable	25,825	28,980
Total	348,043	263,673
Less: Current portion	(149,904)	(171,731)
Non-current portion	198,139	91,942

Note:

Indemnification asset was recognised on the same basis as the indemnified item upon the acquisition of Anhui Jinding during the financial year ended 31 March 2021. The indemnified item represented the provision made for a legal case which was initiated by a contractor against Anhui Jinding for the outstanding construction fee payable by Anhui Jinding.

During the year ended 31 March 2024, final court judgement was issued by the People's Court of Hefei, Anhui Province (the "Court") pursuant to which the subsidiary was liable to pay to the contractor anamount of RMB48,867,000 plus interest and penalty accrued thereon. Based on this judgement of the Court, the provision made for this obligation was adjusted to reflect the current best estimate and a portion of the provision was settled by the Group during the year ended 31 March 2024. At the same time, certain portion of the obligation arising from the legal case was contractually agreed to be indemnified by two non-controlling shareholders of Anhui Jinding pursuant to the terms as set out in the respective agreements upon its acquisition. Those two non-controlling shareholders were also the then major shareholders of Anhui Jinding at that time of the acquisition. Taking into account the contractual limitations on its amount and concerning collectability, the valuation of the indemnification asset at the time of the acquisition was determined by the management to be nil. As there were no changes in the range of outcomes or assumptions used to estimate the liability, the amount recognised for the indemnification asset remained unchanged until the final court judgement issued. Upon the final court judgement was issued, the Group entered into a compensation agreement with the two non-controlling shareholders of Anhui Jinding. The compensation agreement entered into in August 2023 confirmed the reimbursement details to the Group. Specifically, the shareholders agreed to cover the incurred liability, up to a maximum amount of RMB27,897,000. The repayment of the provided compensation is required within 24 months from the date of the agreement. Additionally, the non-controlling shareholders have the option to offset any future dividend receivable from this subsidiary against the compensation, provided that any discretionary dividends are declared within 24 months from the date of the agreement. Based on the foregoing, indemnification asset was recognised for the provision arising from the legal case, which resulted in compensation income amounting to RMB25,352,000 being recognised in the profit or loss for the year ended 31 March 2024. The indemnification asset which was measured at the amount of RMB26,077,000 as at 31 March 2024 was classified as a non-current asset as the management expected to realise the asset in more than twelve months after 31 March 2024.

25. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Note: (Continued)

During the current year, the indemnification asset was fully settled by the non-controlling shareholders by exercising their option to offset the asset's carrying amount against the dividend payable to them, after the dividends declared to them during the year. Furthermore, subsequent to the settlement of the provision for the legal case after the court judgement as mentioned above, Anhui Jinding and the contractor entered into a settlement agreement pursuant to which the contractor agreed to partially waive the penalty interest of RMB9,544,000 (2024: Nil). As a result, an income on the release of the remaining provision of the legal obligation of the same amount was recognised in the profit or loss.

The movement for the impairment loss of other receivables is as follows:

	2025	2024
	RMB'000	RMB'000
At the beginning of the year	**9,585**	10,218
Reversal of impairment loss recognised	**(1,192)**	(633)
At the end of the year	**8,393**	9,585

The Group recognised impairment loss for other receivables and deposits based on the accounting policies set out in note 3.13(ii).

The Group's credit policy and credit risk arising from other receivables and deposits are set out in note 44(a)(ii).

26. AMOUNTS DUE TO A SHAREHOLDER/RELATED COMPANIES

Amount due to a shareholder is interest-free, unsecured and repayable on demand.

The amounts due to the related companies mainly represented advances from these parties. The amounts are interest-free, unsecured and RMB5,280,000 (2024: RMB85,530,000) and RMB73,530,000 (2024: Nil) of which are repayable on demand and on 31 December 2027 respectively.

27. RESTRICTED BANK BALANCES AND CASH AND CASH EQUIVALENTS

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Included in bank balances and cash of the Group as at 31 March 2025 were amounts of RMB582,178,000 (2024: RMB214,127,000) which are denominated in RMB. RMB is not a freely convertible currency. Under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct foreign exchange business.

27. RESTRICTED BANK BALANCES AND CASH AND CASH EQUIVALENTS (Continued)

As at 31 March 2025, restricted bank balances of RMB240,000 (2024: RMB1,121,000) represent deposits frozen pursuant to assets preservation orders in relation to a PRC legal case initiated by a supplier (2024: a contractor) against a subsidiary of the Company.

The remainder of the restricted bank balances of RMB6,000,000 (2024: RMB1,510,000) represent a time deposit of the Group which is pledged for issuance of a performance bond by a bank in favour of a customer of the Group. The Group is required to indemnify the bank in case the customer claim the bank on non-performance of the Group under the sale or service contract entered into between the Group and the customer.

28. BORROWINGS

	2025	2024
	RMB'000	RMB'000
Bank borrowings – secured (note (b)):		
Within one year or on demand	**152,000**	85,000
More than one year, but not exceeding two years	**178,000**	52,000
More than two years, but not exceeding five years	**128,160**	82,900
After five years	**48,000**	26,000
	506,160	245,900
Other borrowings – unsecured (note (c)):		
Within one year	**–**	327,565
More than one year, but not exceeding two years	**293,068**	61,498
	293,068	389,063
Entrusted borrowing – secured (note (d)):		
Within one year	**47,310**	–
More than one year, but not exceeding two years	**–**	47,310
After five years	**50,000**	50,000
	97,310	97,310
	896,538	732,273
Classified under:		
Current liabilities	**199,310**	412,565
Non-current liabilities	**697,228**	319,708
	896,538	732,273

28. BORROWINGS (Continued)

Notes:

(a) As at 31 March 2025 and 2024, all borrowings were denominated in RMB.

(b) The Group's bank borrowings are secured by the pledge of:

- mining rights of RMB527,185,000 (2024: RMB473,122,000); and
- guarantees provided by a shareholder of a subsidiary and a former executive director and one of the controlling shareholders of the Company, Mr. Ma Qiang ("Mr. Ma").

Bank borrowings amounted to RMB155,000,000 (2024: RMB110,000,000) and RMB351,160,000 (2024: RMB135,900,000) are interest-bearing at the rates of PRC Benchmark Lending Rate ("BLR") for loan with maturity of five years or above minus 0.3% (2024: five years or above minus 0.3% per annum) and PRC BLR minus 1.75% to PRC BLR minus 0.05% (2024: PRC BLR minus 1.60% to PRC BLR plus 0.25%) per annum respectively.

The effective interest rates for the bank borrowings ranged from 1.35% to 3.55% per annum (2024: 1.85% to 3.90% per annum).

The Group's non-current bank borrowings of RMB354,160,000 (2024: RMB160,900,000) are subject to the fulfillment of covenants by certain subsidiaries relating to the debts to assets ratio and the current ratio throughout the year, breaching which the banks have right at their own sole discretion to demand immediate repayment at any time irrespective of whether the subsidiaries had met the scheduled repayment obligations. As at 31 March 2025, the Group complied with all the covenants that were required to be met on 31 March 2025. The covenants that are required to be complied with after the end of the reporting period do not affect the classification of the related borrowings as current or non-current as at 31 March 2025.

(c) Other borrowings as at 31 March 2025 of RMB293,068,000 (2024: RMB389,063,000) represents amounts due to certain shareholders and their affiliates of a subsidiary which are unsecured and interest-bearing at the PRC BLR for loan with maturity of five years or above. The borrowings mainly represent advances from these parties for financing the working capital of the subsidiary. As at 31 March 2024, principal element of the advances was repayable by five annual instalments starting from 1 July 2021; and where applicable, interest element was repayable quarterly starting from 1 July 2020. During the year, the shareholders and their affiliates of the subsidiary agreed to amend the terms of the loan arrangements to defer the repayment date of all outstanding principal and interest to 30 June 2026.

(d) Pursuant to an entrusted loan agreement (the "Entrusted Loan Agreement") entered into between a shareholder of a subsidiary (the "Shareholder") and an independent third party (the "Lender") in year 2016, the Shareholder borrowed from the Lender an entrusted loan with principal amount of RMB100,000,000 through a bank in the PRC. The entrusted loan is interest-bearing at 1.2% per annum and secured by a corporate guarantee provided by an independent financial institution (the "Guarantor") in the PRC. Amount drawn down under the Entrusted Loan Agreement was RMB97,310,000, of which RMB47,310,000 and RMB50,000,000 are repayable on 28 February 2026 and 28 February 2031 respectively. The Shareholder in turn entered into a loan agreement with the subsidiary to lend the entrusted loan to the subsidiary under the same terms as the Entrusted Loan Agreement and the subsidiary is required to bear all the costs and obligations under the Entrusted Loan Agreement. Moreover, counter guarantees are provided to the Guarantor through guarantees provided by certain shareholders, directors and ex-directors of the subsidiary and a pledge on the mining rights of a subsidiary with carrying amount of RMB185,859,000 (2024: RMB147,170,000) of the Group (note 20(a)).

29. TRADE PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	**301,290**	340,261
Retention payables	**1,385**	43,983
	302,675	384,244

For explosive business, the Group has been granted by its suppliers a credit period of 30 to 180 days in general.

For mining operation, the Group has been granted by its suppliers and contractors a credit period of 30 days in general. Retention monies are retained by the Group when the relevant projects are in progress. The retention payables will be released upon expiry of the defect liability period as specified in the construction agreements, which is usually 12 months.

Ageing analysis of trade payables and retention payables, based on the invoice date, as of the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
0-180 days	**156,854**	155,983
181-365 days	**30,085**	18,036
Over 1 year	**115,736**	210,225
	302,675	384,244

30. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Salaries and staff welfare payables	**83,295**	68,627
Other taxes payable	**21,180**	6,588
Amount due to the non-controlling shareholder of a subsidiary (note (a))	**–**	135,986
Amounts due to creditors of the non-controlling shareholder of a subsidiary (note (a))	**673,986**	538,000
Payables for construction or acquisition of property, plant and equipment and production quota	**680**	31,072
Other payables and accruals (note (b)	**182,441**	141,722
Levy on mining rights (note (c))	**38,860**	–
Contract liabilities (note (d))	**52,051**	23,217
Total	**1,052,493**	945,212
Less: Current portion	**(1,023,343)**	(945,212)
Non-current portion (note (c))	**29,150**	–

Notes:

(a) Other payables and accruals as at 31 March 2025 included (i) an amount of RMB538,000,000 (2024: RMB538,000,000) which was previously due to Sichuan Hongda and was assigned to a creditor of Sichuan Hongda during the financial year ended 31 March 2024; and (ii) an amount of RMB135,986,000 which was previously due to Sichuan Hongda and was transferred to a creditor of Sichuan Hongda during the current year. These balances are unsecured, interest fee and repayable on demand.

(b) Included in the balance was an amount due to an independent third party of RMB20,159,000 (2024: RMB20,159,000) which is non-trade in nature, unsecured, interest-bearing at 4.35% per annum and repayable on demand.

(c) Included in the balance was a levy of RMB38,860,000 (2024: Nil) imposed by the local government on one of the Group's mining rights. This non-contingent levy is payable irrespective of revenue generated from the mining right. Pursuant to the relevant government notice, the levy shall be settled by 3 equal instalments of RMB9,710,000 in December 2025, 2026 and 2027 and the remaining balance in December 2028.

(d) The contract liabilities primarily relate to the advances received from customers for sale of explosives and mineral concentrates. The advances remain as contract liabilities until they are recognised as revenue when control of the goods is transferred to the customers. Typical payment terms which impact on the amount of contract liabilities are set out in note 3.14.

30. OTHER PAYABLES AND ACCRUALS (Continued)

Changes in the contract liabilities balances during the year are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	**23,217**	40,991
Cash received	**921,420**	613,069
Recognised as revenue	**(892,613)**	(631,068)
Exchange realignment	**27**	225
At the end of the year	**52,051**	23,217

The contract liabilities of RMB23,217,000 (2024: RMB40,991,000) at the beginning of the year were recognised as revenue for the year from satisfying performance obligations during the year.

The contract liabilities at the end of the reporting period are expected to be recognised as revenue in the next financial year. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contract which has an original expected duration of one year or less is not disclosed.

31. PROVISION

The provision for rehabilitation is related to the estimated costs of complying with the Group's obligations for land reclamation in respect of the Huangtun Pyrite Mine. These costs are expected to be incurred on closure of the mine, which, based on the period of the mining licence, lasts for 27 years.

The movement in the present value of the provision for rehabilitation is as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	**11,886**	11,886
Unwinding interest	**3,474**	–
At the end of the year	**15,360**	11,886

32. PARTIAL DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

On 25 March 2025, the Group disposed of 40% equity interest in a subsidiary, Pizu International Limited ("PIL") to a non-controlling shareholder of the Group at a cash consideration of RMB50,000,000. The partial disposal of the equity interest in PIL is accounted for as equity transaction as follows:

	2025
	RMB'000
Consideration received for 40% equity interest in PIL	**50,000**
Carrying amount of non-controlling interest increased being the proportionate share of the carrying amount of the net assets of PIL and its subsidiaries on 25 March 2025	**(18,367)**
Credited to other reserve (note 37(h))	**31,633**

33. ACQUISITION OF ADDITIONAL EQUITY INTEREST IN A SUBSIDIARY

On 19 April 2023, a subsidiary of the Company, Pizu (Tibet) Resources Development and Utilisation Co., Ltd. acquired additional 27% equity interests in Tibet Tianren, which increased the Group's interest in Tibet Tianren from 27% to 54%, at a cash consideration of RMB54,000,000. The acquisition of the additional equity interest in Tibet Tianren is accounted for as equity transaction as follows:

	2024
	RMB'000
Consideration paid for 27% additional equity interest in Tibet Tianren	(54,000)
Carrying amount of non-controlling interest acquired being the proportionate share of the carrying amount of the net assets of Tibet Tianren on 19 April 2023	28,465
Decrease in equity attributable to owners of the Company	(25,535)

34. DISPOSAL OF A SUBSIDIARY

During the year ended 31 March 2024, the Group disposed of its entire interest in Bidnii Zorilgo LLC ("Bidnii") to an independent third party at a consideration of RMB1.

The net assets of Bidnii at the date of disposal were set out below:

	RMB'000
Property, plant and equipment	86
Goodwill	727
Intangible assets	10,104
Non-current prepayments	46
Inventories	53
Deposits, prepayments and other receivables	16
Accruals and other payables	(2,845)
Income tax payable	(9)
Net assets disposed of	8,178
Non-controlling interests (45%)	(3,353)
Foreign currency translation reserve reclassified to profit or loss upon disposal	(3)
	4,822
Loss on disposal of a subsidiary	(4,822)
Total consideration	–

35. SHARE AWARD SCHEME

On 8 July 2019, the Company adopted a share award scheme (the "Scheme") to recognise and reward the contribution of employees or directors of the Group (the "Eligible Participants") to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of five years commencing on the adoption date. The Scheme has expired on 7 July 2024.

The Board may select any Eligible Participant for participation in the Scheme and determine the number of award shares of the Company (the "Awarded Shares") to be awarded to the selected Eligible Participants (the "Selected Participants"). The Board is entitled to impose any conditions (including a period of continued service within the Group after the grant date), as it deems appropriate with respect to the entitlement of the Selected Participants to the Awarded Shares.

35. SHARE AWARD SCHEME (Continued)

The Scheme is operated through a trust fund. As soon as practicable after the grant date, the Board shall contribute cash to the trust fund for the purpose of acquiring the Company's shares from the open market or off market and procure the Selected Participants to pay the cash contribution determined by the Board (if any) to the trust fund to be held on trust for them for the purchase of the Award Shares. The trustee shall cause the Awarded Shares to be transferred to such Selected Participants on the vesting date.

The Board shall not make any further award of Awarded Shares which will result in the number of Shares awarded by the Board under the Scheme exceeding 200,000,000 Shares (representing about 5.62% of the issued share capital of the Company as at the adoption date (the "Scheme Limit")). Save as prescribed under the rules of the Scheme or as otherwise restricted by the Main Board Listing Rules, there shall be no limit on the total number of Awarded Shares that may be granted to a Selected Participant.

No Awarded Shares were granted during the years ended 31 March 2024 and 2025.

36. SHARE CAPITAL

	2025			2024		
	Number of shares ’000	**Nominal value HK$’000**	**Nominal value RMB’000**	Number of shares ’000	Nominal value HK$’000	Nominal value RMB’000
Authorised:						
Ordinary shares of HK$0.01 each						
At beginning and end of the year	**5,000,000**	**50,000**		5,000,000	50,000	
Issued and fully paid:						
Ordinary shares of HK$0.01 each						
At beginning and end of the year	**3,558,725**	**35,586**	**40,259**	3,558,725	35,586	40,259

36. SHARE CAPITAL (Continued)

	2025		2024	
Treasury shares*:	**Number of shares '000**	**RMB'000**	Number of shares '000	RMB'000
At the beginning of the year	**62,311**	**27,640**	62,311	27,640
Disposal (Note)	**(62,311)**	**(27,640)**	–	–
At the end of the year	**–**	**–**	62,311	27,640

	2025	2024
	Number of shares '000	Number of shares '000
Number of shares in open market:		
At the beginning of the year	**3,496,414**	3,496,414
Disposal of treasury shares (Note)	**62,311**	–
At the end of the year	**3,558,725**	3,496,414

Note:

The Group sold all the treasury shares with aggregate net proceeds of RMB32,800,000 (equivalent to HK$38,060,000) during the year. The difference between the net proceeds and the cost of the treasury shares of RMB5,160,000 is credited to the share premium account.

* from accounting prespective

37. RESERVES

The Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity. The nature and purpose of the reserves are as follows:

(a) Share premium

Under the Companies Law of the Cayman Islands, the share premium is available for distribution to shareholders subject to a solvency test on the Company and the provisions of the Articles of Association of the Company.

(b) Capital distributable reserve

Capital distributable reserve arose from share premium cancellation. Upon the capital reorganisation becoming effective on 17 January 2012, the amount standing to the credit of the share premium account has been cancelled and the credit arising from the share premium cancellation has been used to eliminate the accumulated losses of the Company. It may be utilised by the Company's directors in accordance with the Company's memorandum and article of association and all applicable laws.

It also represented capital contribution from a substantial shareholder in the form of waiving the interest accrued of RMB1,427,000 on the loan from the substantial shareholder pursuant to the capitalisation and settlement agreement entered into by the Company and the substantial shareholder on 8 July 2013.

(c) Contributed surplus

The contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation over the nominal value of the Company's shares issued in exchange therefor.

(d) Restructuring reserve

The restructuring reserve arose from the restructuring transactions conducted within Ample Ocean Holdings Limited and its subsidiaries (the "Ample Ocean Group") in previous years prior to the completion of the acquisition of the Ample Ocean Group.

(e) Merger reserve

Merger reserve arose upon completion of acquisition of the Ample Ocean Group by the Company in prior years. The acquisition was accounted for by applying principles of merger accounting in accordance with Accounting Guideline 5 Merger Accounting for Common Control Combinations.

(f) Foreign currency translation reserve

The foreign currency translation reserve comprises exchange differences arising from the translation of the financial statements of foreign operations and translations of the Company's financial statements to presentation currency.

37. RESERVES (Continued)

(g) Statutory reserve

In accordance with the relevant laws and regulations of the PRC, the PRC subsidiaries are required to appropriate 10% of its profit after income tax, prepared in accordance with the accounting regulation in the PRC, to the statutory reserve fund until the statutory reserve balance reaches 50% of the registered capital. Subject to certain restrictions, such reserve may be used to reduce any losses incurred or for capitalisation as paid-up capital of the PRC subsidiaries.

(h) Other reserves

In accordance with the relevant laws and regulations of the PRC, entities engaged in mining and explosives related businesses are required to provide for safety fund at certain percentage of revenue generated by the entities. This fund can be utilised for safety measures related to the production of the entities.

It also represents:

– the difference between the consideration paid to acquire additional equity interests in a subsidiary and the proportionate share of the carrying amount of the net assets of the subsidiary at the date of the acquisition in 2023. Details of the transaction are set out in note 33; and

– the difference between the consideration received and the increase in the non-controlling interests at the date of disposal in 2025. Details of the transaction are set out in note 32.

38. NON-CONTROLLING INTERESTS ("NCI")

The following non-wholly owned subsidiaries including Subsidiary A, Subsidiary D, Subsidiary E, Subsidiary F, Anhui Jinding and Tibet Tianren are considered as having material NCIs at the end of the reporting period and the percentages of effective equity interest held by the NCIs are 69.99%, 40%, 40%, 45%, 49% and 46% (2024: 49.99%, 40%, 40%, 45%, 49% and 46%) respectively.

Summarised financial information in relation to the NCIs of the above subsidiaries, before intra-group eliminations, is presented below:

2025	Subsidiary A RMB'000 (Note (a))	Subsidiary D RMB'000	Subsidiary E RMB'000	Subsidiary F RMB'000 (Note (b))	Anhui Jinding RMB'000	Tibet Tianren RMB'000
Non-current assets	104,314	265,930	27,049	74,834	1,418,376	1,401,292
Current assets	41,528	494,407	870,392	459,900	214,906	93,349
Current liabilities	(41,225)	(66,323)	(444,530)	(47,117)	(716,624)	(1,295,597)
Non-current liabilities	–	–	(84,167)	–	(501,428)	(127,160)
Net assets	104,617	694,014	368,744	487,617	415,230	71,884
Accumulated NCI	73,221	277,606	147,497	388,927	203,463	33,066
Revenue	99,690	559,218	441,790	–	847,997	–
Profit/(loss) for the year	43,537	178,489	1,774	(2,041)	194,790	(46,211)
Total comprehensive income	44,993	178,489	1,774	(2,041)	194,790	(46,211)
Profit/(loss) allocated to NCI	21,764	71,396	710	(918)	95,447	(21,257)
Total comprehensive income allocated to NCI	22,492	71,396	710	(918)	95,447	(21,257)
Dividend declared to NCI	18,411	294	–	–	41,049	–
Capital contribution from NCI	–	–	–	165,000	–	–
Net cash inflows/(outflows) from operating activities	62,060	(9,817)	71,458	(1,149)	445,032	(58,564)
Net cash outflows from investing activities	(39,640)	(9,453)	(77,268)	(281,461)	(119,065)	(269,932)
Net cash (outflows)/inflows from financing activities	(19,508)	(294)	133,719	210,105	(196,526)	391,347

38. NON-CONTROLLING INTERESTS ("NCI") (Continued)

2024	Subsidiary A RMB'000	Subsidiary D RMB'000	Subsidiary E RMB'000	Subsidiary F RMB'000 (Note (b))	Anhui Jinding RMB'000	Tibet Tianren RMB'000
Non-current assets	68,635	259,777	20,297	76,135	1,401,226	1,131,029
Current assets	53,854	351,050	764,259	250,555	126,274	23,541
Current liabilities	(26,036)	(95,008)	(416,985)	(2,033)	(942,593)	(985,575)
Non-current liabilities	–	–	(602)	–	(280,694)	(50,900)
Net assets	96,453	515,819	366,969	324,657	304,213	118,095
Accumulated NCI	48,218	206,328	146,787	224,845	149,065	54,323
Revenue	116,806	522,761	398,942	–	539,155	–
Profit/(loss) for the year	48,758	119,990	(18,120)	(242)	88,965	12,670
Total comprehensive income	53,341	119,990	(18,120)	(242)	88,965	12,670
Profit/(loss) allocated to NCI	24,374	47,996	(7,248)	(109)	43,593	5,828
Total comprehensive income allocated to NCI	26,665	47,996	(7,248)	(109)	43,593	5,828
Dividend declared to NCI	24,267	88,000	12,000	–	–	–
Net cash inflows/(outflows) from operating activities	41,266	166,044	(5,157)	(2,167)	157,204	(108,310)
Net cash (outflows)/inflows from investing activities	(585)	79,407	278,321	(174,302)	(121,249)	(83,707)
Net cash (outflows)/inflows from financing activities	(38,322)	(215,000)	(431,961)	196	(73,546)	198,822

Notes:

(a) Subsidiary A is a 50.01%-owned subsidiary of PIL as at 31 March 2024. On 25 March 2025, the Group disposed of 40% equity interest of PIL (note 32) leading to an increase in the NCIs' percentage of effective ownership interest in Subsidiary A from 49.99% to 69.99% since then.

(b) The difference between the amount of accumulated NCI of Subsidiary F and the share of Subsidiary F's net assets by the NCI is mainly due to the registered capital of Subsidiary F not yet being fully contributed by the respective shareholders including the Group.

39. CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Acquisition of property, plant and equipment	**179,934**	23,844

40. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group entered into the following transactions with related parties:

	Name of related party	Related party relationship	Type of transaction	Transaction amount 2025 RMB'000	2024 RMB'000
(i)	內蒙古盛安保安有限責任公司 (Inner Mongolia Shengan Security Limited) (note)	Entity under common control of Mr. Ma	Security services provided by the related party	**1,665**	1,158
(ii)	Tianrun Blasting	Associate	Sales to the related party	**14,473**	17,616
(iii)	Wuhai Ansheng	Associate	Sales to the related party	**30,165**	31,412

Note:

The English name above is for identification purpose only. The official name of the entity is in Chinese.

The terms of the above transactions were based on those agreed among the Group and the related parties in normal course of business.

(b) Members of key management personnel compensation:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**6,166**	4,777

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) During the year ended 31 March 2024, the Group disposed of an associate at a total consideration of RMB19,810,000 which was satisfied by total cash payments of RMB1,810,000 and repayment of an amount due to the associate of RMB18,000,000 by the purchasers.

(b) During the year ended 31 March 2024, the creditor of the 46% shareholder of Tibet Tianren waived an amount owing by the Group of RMB32,511,000.

(c) As set out in note 25, the indemnification asset amounting to RMB27,897,000 was fully settled during the year by the non-controlling shareholders, upon their exercise of the option to offset against the dividend payable to them.

(d) As detailed in note 30, part of additions to intangible assets related to the levy imposed by the local government on one of the Group's mining rights of RMB38,860,000 is payable in coming 4 years.

41. NOTES TO THE CONSOLDATED STATEMENT OF CASH FLOWS (Continued)

(e) Reconciliation of liabilities arising from financing activities:

	Lease liabilities (note 17(b) RMB'000	Borrowings (note 28) RMB'000	Amounts due to related companies (note 26) RMB'000	Amount due to a shareholder (note 26) RMB'000	Dividend payable to the owners of the Company RMB'000
At 1 April 2023	4,849	863,306	73,530	31,553	4,053
Changes from cash flows:					
Interest paid	–	(12,072)	–	–	–
Proceeds from new borrowings	–	250,900	–	–	–
Lease repayments	(2,396)	–	–	–	–
Advance received	–	–	12,000	14,000	–
Dividend paid	–	–	–	–	(30,826)
Repayment of bank loans	–	(397,000)	–	–	–
	(2,396)	(158,172)	12,000	14,000	(30,826)
Other changes:					
Interest expenses	102	27,139	–	–	–
Dividend declared	–	–	–	–	32,384
Exchange realignment	82	–	–	1,588	202
	184	27,139	–	1,588	32,586
At 31 March 2024	2,637	732,273	85,530	47,141	5,813
Changes from cash flows:					
Interest paid	–	(13,004)	–	–	–
Proceeds from new borrowings	–	335,260	–	–	–
Lease repayments	(4,735)	–	–	–	–
Repayments of advances	–	–	(6,720)	(32,479)	–
Dividend paid	–	–	–	–	(31,657)
Repayment of borrowings	–	(184,900)	–	–	–
	(4,735)	137,356	(6,720)	(32,479)	(31,657)
Other changes:					
New leases	5,224	–	–	–	–
Interest expenses	71	26,909	–	–	–
Dividend declared	–	–	–	–	32,740
Exchange realignment	18	–	–	–	76
	5,313	26,909	–	–	32,816
At 31 March 2025	3,215	896,538	78,810	14,662	6,972

42. DIVIDENDS

	2025	2024
	RMB'000	RMB'000
Final dividend proposed after the end of reporting period:		
2025: HK$0.015 per share	**49,644**	–
2024: HK$0.010 per share	**–**	32,740
	49,644	32,740

The directors recommend the payment of final dividend of HK$0.015 per share (2024: HK$0.010 per share), amounting to RMB49,644,000 (equivalent to HK$53,381,000) (2024: RMB32,740,000 (equivalent to HK$34,964,000)) for the year ended 31 March 2025 which is subject to shareholders' approval at the forthcoming annual general meeting.

The final dividend declared subsequently to 31 March 2025 has not been recognised as a liability as at 31 March 2025.

43. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

The carrying amounts of the Group's financial assets and liabilities as recognised at the end of the reporting period are also analysed into the following categories. See note 3.13 for explanations about how the category of financial instruments affects their subsequent measurement.

	2025	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at FVOCI		
– bills receivables	**118,092**	29,618
Financial assets at amortised cost		
– cash and cash equivalents	**632,545**	223,776
– restricted bank balances	**6,240**	2,631
– trade receivables	**283,095**	214,239
– deposits and other receivables	**78,964**	87,296
– amounts due from associates	**24,156**	32,284
– amount due from a joint venture	**4,888**	2,838
	1,147,980	592,682
Financial liabilities		
Financial liabilities at amortised cost		
– trade payables	**302,675**	384,244
– other payables and accruals	**940,402**	915,407
– dividend payable	**6,972**	5,813
– amounts due to related companies	**78,810**	85,530
– amount due to a shareholder	**14,662**	47,141
– borrowings	**896,538**	732,273
	2,240,059	2,170,408
Other financial instruments		
– Lease liabilities	**3,215**	2,637

43. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES (Continued)

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, restricted bank balances, trade receivables, other receivables and deposits, trade payables, other payables and accruals, amounts due from/to related parties, borrowings, dividend payable and lease liabilities. Due to their short term nature or bearing interest at prevailing market rates, the carrying value of these financial instruments approximates fair value.

(b) Financial instruments measured at fair value

The fair value of bills receivables was measured based on recent transaction prices at the reporting date, which was a level 2 fair value measurement.

44. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risk and currency risk. These risks are managed according to the Group's financial management policies and practices described below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

The Group's credit risk is primarily attributable to its contract assets, trade and bills receivables, other receivables and deposits, amounts due from related parties and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis and the Group does not hold any collateral over these balances.

Contract assets and trade and bills receivables at the end of the reporting period are mainly due from customers in explosive trading and blasting services segment.

The Group has a certain concentration of credit risk in respect of the trade receivable from a customer in explosive trading and blasting services segment as 17% (2024: 40%) of the total contract assets and trade receivables at the reporting date was attributable to this customer. Furthermore, 99% (2024: 99%) of the total contract assets and trade receivables relate to customers located in the PRC.

Cash and cash equivalents and restricted bank balances are mainly deposited with registered banks in the PRC, Hong Kong, Tajikistan and Kyrgyzstan. The directors consider the credit risk on bank balances to be limited because the counterparties are reputable banks or banks with high-credit rating. No bills receivables as at 31 March 2025 and 2024 were past due. The directors consider the credit risk on bills receivables to be low since the issuers or the banks which guarantee payments of bills receivables are of high credit rating.

Accordingly, the ECLs for bank balances and bills receivables are expected to be minimal.

44. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Impairment of trade receivables and contract assets

In respect of trade receivables, the Group closely monitors the payments from customers in accordance with the payment terms and schedules agreed with the customers. The Group also has other monitoring procedures to ensure follow up action is taken to recover overdue debts. Accordingly, management considers that recoverability concern over those receivables is remote.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated individually and collectively using a provision matrix based on days past due for groupings of customer segments that have similar loss patterns.

The following tables provide information about the Group's exposure to credit risk and ECLs for the trade receivables and contract assets at the end of the reporting period:

	2025		
	Expected loss rate (%)	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Collective assessment:			
Current	**0.0**	**2,957**	**–**
0-30 days past due	**5.1**	**63,980**	**3,256**
31-90 days past due	**4.3**	**55,551**	**2,402**
91 days to 1 year past due	**5.5**	**170,987**	**9,424**
Over 1 year past due	**76.0**	**19,622**	**14,920**
		313,097	**30,002**
Individual assessment:			
Over 2 years past due	**100.0**	**26,695**	**26,695**
		339,792	**56,697**

44. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Impairment of trade receivables and contract assets (Continued)

	2024		
	Expected loss rate (%)	Gross carrying amount RMB'000	Loss allowance RMB'000
Collective assessment:			
Current	0.0	161,396	–
0-30 days past due	1.0	87,431	872
31-90 days past due	0.5	86,647	415
91 days to 1 year past due	4.9	25,648	1,248
Over 1 year past due	1.3	230	3
		361,352	2,538
Individual assessment:			
Over 2 years past due	100.0	32,307	32,307
		393,659	34,845

Expected loss rates are determined based on actual loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables as well as forward-looking estimates at the end of the reporting period.

For the year ended 31 March 2025, the increase in expected loss rate across all age bands and the increase in the gross carrying amount in the age band "Over 1 year past due" above resulted in an increase in loss allowance recognised for the year by RMB21,852,000.

For the year ended 31 March 2024, the increase in the gross carrying amount in the age band "Over 2 years past due" in individual assessment above resulted in an increase in loss allowance recognised for the year by RMB17,838,000.

44. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(ii) Impairment of other receivables and deposits

The Group measures loss allowances for other receivables and deposits using the general approach under HKFRS 9. Impairment of these receivables and deposits was provided based on the "three-stage" model by referring to the changes in credit quality since initial recognition.

These receivables and deposits that are not credit-impaired on initial recognition are classified in "Stage 1" and have their credit risk continuously monitored by the Group. The ECL is measured on a 12-month basis.

– If a significant increase in credit risk (as defined in accounting policy note 3.13(ii) since initial recognition is identified, the financial asset is moved to "Stage 2" but it has not yet deemed to be credit-impaired. The ECLs are measured on lifetime basis.

– If the financial asset is credit-impaired (as defined in accounting policy note 3.13(ii)), the financial asset is then moved to "Stage 3". The ECLs are measured on lifetime basis.

– At Stages 1 and 2, interest income is calculated on the gross carrying amount (without deducting the loss allowance). If a financial asset subsequently becomes credit-impaired (Stage 3), the Group is required to calculate the interest income by applying the effective interest method in subsequent reporting periods to the amortised cost of the financial asset (the gross carrying amount net of loss allowance) rather than the gross carrying amount.

The following table provides information about the Group's exposure to credit risk and ECLs for other receivables and deposits at the end of the reporting period:

	2025				
	Expected loss rate (%)	**12-month ECLs Stage 1 RMB'000**	**Lifetime ECLs Stage 2 RMB'000**	**Gross carrying amount RMB'000**	**Loss allowance RMB'000**
Other receivables and deposits	**0.5-33.5%**	**62,288**	**25,069**	**87,357**	**8,393**

	2024				
	Expected loss rate (%)	12-month ECLs Stage 1 RMB'000	Lifetime ECLs Stage 2 RMB'000	Gross carrying amount RMB'000	Loss allowance RMB'000
Other receivables and deposits	0.5-19.9%	40,360	56,521	96,881	9,585

44. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(ii) Impairment of other receivables and deposits (Continued)

The Group measures loss allowance for other receivables and deposits by considering probabilities of default. The Group analyses the debtors based on their credit risk characteristics and determines probability of default for each risk cluster with reference to external ratings and benchmarking to similar risk portfolio. ECL rates are thereby determined based on probabilities of default, taking into account loss given default and adjusted for forward-looking information.

The directors have assessed that there has been a significant increase in credit risk in respect of the advance to a subcontractor and a debtor to whom the Group sold certain property, plant and equipment in previous years with gross carrying amount totalling RMB25,069,000 (2024: RMB56,521,000) since initial recognition and thus the Group provided impairment for these balances using lifetime basis. For other receivables and deposits, the Group provided impairment based on 12-month ECL.

(iii) Impairment of amounts due from associates and a joint venture

In respect of amounts due from related companies which mainly comprise amounts due from associates and a joint venture totalling RMB29,044,000 (2024: RMB35,122,000), the directors assessed that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the year ended 31 March 2025 and 2024, the Group assessed that the additional ECL for the amount due from a joint venture for the year to be insignificant. No ECL was provided for the amounts due from associates as the amount is considered insignificant.

(b) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities and other financial instruments that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and other payables, including amounts due to related parties, dividend payable, borrowings, lease liabilities and its financing obligation and also in respect of its cash flow management. Each entity within the Group is responsible for its own cash management.

The Group's policy is to regularly monitor its current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. Note 3.1 to the consolidated financial statements explains the management's plans for managing liquidity needs of the Group to enable the Group to continue to meet its obligations as they fall due.

44. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities (other than lease liabilities (note 17(b)) as at the end of the reporting period, which are based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates ruling at the end of the reporting period) and the earliest date the Group can be required to pay.

	Within one year or on demand RMB'000	More than one year but less than two years RMB'000	More than two years but less than five years RMB'000	More than five years RMB'000	Total contractual undiscounted cash flows RMB'000	Carrying amount RMB'000
As at 31 March 2025						
Non-derivative financial liabilities						
Trade payables	**302,675**	**–**	**–**	**–**	**302,675**	**302,675**
Other payables and accruals	**940,402**	**–**	**–**	**–**	**940,402**	**940,402**
Dividend payable	**6,972**	**–**	**–**	**–**	**6,972**	**6,972**
Amounts due to related companies	**5,280**	**–**	**73,530**	**–**	**78,810**	**78,810**
Amount due to a shareholder	**14,662**	**–**	**–**	**–**	**14,662**	**14,662**
Borrowings	**214,204**	**548,927**	**83,686**	**101,083**	**947,900**	**896,538**
	1,484,195	**548,927**	**157,216**	**101,083**	**2,291,421**	**2,240,059**
As at 31 March 2024						
Non-derivative financial liabilities						
Trade payables	384,244	–	–	–	384,244	384,244
Other payables and accruals	915,407	–	–	–	915,407	915,407
Dividend payable	5,813	–	–	–	5,813	5,813
Amounts due to related companies	85,530	–	–	–	85,530	85,530
Amount due to a shareholder	47,141	–	–	–	47,141	47,141
Borrowings	430,713	170,784	91,662	77,809	770,968	732,273
	1,868,848	170,784	91,662	77,809	2,209,103	2,170,408

44. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's interest rate risk mainly arises from bank balances and borrowings with as disclosed in notes 27 and 28 respectively. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate on PRC BLR arising from the Group's variable-rate borrowings. The directors of the Company consider that interest rate exposure on bank deposits is not significant due to low level of interest rate on these deposits.

The Group has not used any financial instruments to hedge potential fluctuations in interest rates as the change of interest rate on bank deposits and borrowings is not expected to be significant. The interest rates and terms of repayments of the Group's borrowings are disclosed in note 28.

As at 31 March 2025, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, interest to be capitalised in the Group's construction in progress for the year would be increased/decreased by RMB836,000 (2024: RMB430,000); and profit for the year and retained profits would be decreased/increased by approximately RMB1,825,000 (2024: RMB1,565,000) in response to the general increase/decrease in interest rates.

(d) Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates in Hong Kong, the PRC, Tajikistan and Kyrgyzstan. Transactions of group companies in Hong Kong are denominated and settled in HK$ and United States dollar ("USD") while transactions of group companies in the PRC, Tajikistan and Kyrgyzstan are denominated and settled in RMB and USD, and Tajikistani Somoni ("TJS") and lesser extent, Kyrgyzstani Som, respectively.

The Group has transactional currency exposure. This exposure mainly arises from purchase transactions of an operating unit from the blasting services segment in a currency other than the unit's functional currency. The Group's Tajikistan entity imports goods from PRC suppliers, which are predominately conducted in RMB and USD. As a result, the Group is exposed to fluctuations in the exchange rate between RMB and USD and TJS.

44. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities in net position (excluding HK$ and USD) at the end of the reporting period are as follows:

	2025	2024
	RMB'000	RMB'000
Net monetary assets/(liabilities)		
USD	**1,904**	1,168
RMB	**(970)**	1,035

45. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

Capital structure of the Group comprises equity plus debts raised by the Group (including borrowings) net with cash and cash equivalents. The Group's management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new share as well as issue new debt or redeem its existing debt as it sees fit and appropriate. No change was made in the objectives, policies or processes for managing capital during the year ended 31 March 2025.

The net debt-to-adjusted capital ratio at the end of the reporting period is as follows:

	2025	2024
	RMB'000	RMB'000
Debts – borrowings	**896,538**	732,273
Less: cash and cash equivalents	**(632,545)**	(223,776)
Net debts	**263,993**	508,497
Total equity	**2,175,488**	1,691,686
Net debt to equity ratio	**12.1%**	30.1%

The Group targets to maintain a net debt to equity ratio to be in line with the expected changes in economic and financial conditions.

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		205	420
Investments in subsidiaries		60,266	60,266
		60,471	60,686
Current assets			
Amounts due from subsidiaries		158,646	75,177
Other receivables, prepayments and deposits		34	69
Cash and cash equivalents		2,946	4,444
		161,626	79,690
Current liabilities			
Other payables and accruals		3,342	2,760
Dividend payable		6,972	5,813
Amount due to a subsidiary		4,469	5,310
Amount due to a shareholder		14,662	47,141
		29,445	61,024
Net current assets		132,181	18,666
Net assets		192,652	79,352
Capital and reserves			
Share capital	36	40,259	40,259
Treasury shares	36	–	(27,640)
Reserves	46(b)	152,393	66,733
Total equity		192,652	79,352

On behalf of the Board

Mr. Ma Tianyi
Director

Ms. Shen Tianwei
Company Secretary

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

(b) Reserves of the Company

	Share premium RMB'000	Capital distributable reserve RMB'000	Contributed surplus RMB'000	Merger reserve RMB'000	Foreign currency translation reserve RMB'000	Retained profits RMB'000	Total RMB'000
As at 1 April 2023	529,602	25,141	(18,702)	(613,910)	(23,996)	154,098	52,233
Profit for the year	–	–	–	–	–	45,953	45,953
Dividend declared or approved	(32,384)	–	–	–	–	–	(32,384)
Exchange difference from translation to presentation currency	–	–	–	–	931	–	931
As at 31 March 2024	497,218	25,141	(18,702)	(613,910)	(23,065)	200,051	66,733
Profit for the year	–	–	–	–	–	108,905	108,905
Dividend declared or approved	(32,740)	–	–	–	–	–	(32,740)
Disposal of treasury shares (note 36)	5,160	–	–	–	–	–	5,160
Exchange difference from translation to presentation currency	–	–	–	–	4,335	–	4,335
As at 31 March 2025	469,638	25,141	(18,702)	(613,910)	(18,730)	308,956	152,393

47. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries as at 31 March 2025 are as follows:

Name	Place of incorporation and operation	Particulars of issued and paid up capital/ registered capital	Percentage of ownership interests/voting rights/ profit share held by the Company		Principal activities
			Directly	Indirectly	
Perfect Start development Limited ("Perfect Start")	The British Virgin Islands ("BVI")	50,000 ordinary shares of US$1 each	100%	–	Investment holding
Pizu International Limited ("PIL")	Hong Kong	HK$71,200,000	–	60% (2024: 100%)	Investment holding
KM Muosir Limited Liability Company ("Subsidiary A") (notes (iv) and (vi))	Tajikistan	TJS88,700,000	–	30.01% (2024: 50.01%)	Manufacture and sale of explosives
KP International Limited Liability Company (notes (v) and (vi))	Kyrgyzstan	Kyrgyzstani Som 100,000	–	30.6% (2024: Nil)	Manufacture and sale of explosives
Pizu Trading Limited	Hong Kong	HK$10,000	–	100%	Investment holding
Ample Ocean Holdings Limited	BVI	50,000 ordinary shares of US$1 each	100%	–	Investment holding
Ample Ocean Group Limited	Hong Kong	HK$1,000,000	100%	–	Investment holding
Ample Ocean Global Limited	BVI	HK$50,000	100%	–	Investment holding
西藏福德圓實業集團有限公司 Tibet Fudeyuan Trading Limited (notes (i) and (ii))	PRC	RMB100,000,000	–	100%	Investment holding
巴彥淖爾市安泰民爆器材有限責任公司 Bayannur City Antai Explosives Equipment Company Limited ("Antai Explosives") (notes (i), (iii) and (vi))	PRC	RMB1,350,000	–	30.6%	Trading of civil explosives

47. PARTICULARS OF SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2025 are as follows (Continued):

Name	Place of incorporation and operation	Particulars of issued and paid up capital/ registered capital	Percentage of ownership interests/voting rights/ profit share held by the Company Directly	Indirectly	Principal activities
比優(西藏)資源開發利用有限責任公司 Pizu (Tibet) Resources Development and Utilisation Co., Ltd.(notes (i) and (iii)) ("Subsidiary F")	PRC	RMB490,000,000 (2024: RMB325,000,000)	–	55%	Investment holding
比優探索(北京)資源勘查有限公司 Pizu (Beijing) Resources Exploration Co., Ltd.(notes (i) and (iii))	PRC	RMB10,000,000	–	51%	Exploration and provision of technical service
內蒙烏拉特前旗盛安化工有限公司 Inner Mongolia Urad Front Banner Shengan Chemical Limited(notes (i) and (iii))	PRC	RMB1,000,000	–	42%	Manufacture and sale of explosives
內蒙古盛安化工有限責任公司 Inner Mongolia Shengan Chemical Limited ("Subsidiary D") (notes (i) and (iii))	PRC	RMB200,000,000	–	60%	Investment holding and sourcing of production materials for group companies
巴彥淖爾盛安化工有限責任公司 Bayannur Shengan Chemical Limited ("Subsidiary C") (notes (i) and (iii))	PRC	RMB20,000,000	–	60%	Manufacturing and sale of civil explosives
內蒙聚力工程爆破有限公司 Inner Mongolia Juli Engineering and Blasting Services Limited ("Subsidiary E") (notes (i) and (iii))	PRC	RMB200,000,000	–	60%	Sale of civil explosives and provision of blasting operations and related services
西藏廣旭實業有限公司 Tibet Guangxu Industrial Company Limited (notes (i) and (iii))	PRC	RMB50,000,000	–	60%	Provision of mining and subcontracting services
鄂托克旗盛安九二九化工有限責任公司 Otog Banner Shengan 929 Chemical Limited ("Subsidiary B") (notes (i) and (iii))	PRC	RMB30,000,000	–	60%	Manufacturing and sale of civil explosives
安徽省金鼎礦業股份有限公司 Anhui Jinding (notes (i) and (iii))	PRC	RMB375,292,836	–	51%	Mining, processing of pyrite, iron ore and copper and the sale of the said mineral products
西藏天仁礦業有限公司 Tibet Tianren (notes (i) and (iii))	PRC	RMB200,000,000	–	54%	Mining and sale of non-ferrous metal products
烏拉特中旗眾泰爆破有限責任公司 Wulatezhongqi Zhongtai Explosives Co., Ltd. (notes (i) and (iii))	PRC	RMB10,000,000	–	60%	Provision of blasting operations and related services

47. PARTICULARS OF SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 March 2025 are as follows (Continued):

Notes:

(i) The English names are for identification purpose only. The official names of these entities are in Chinese.

(ii) The company is a wholly-foreign owned enterprise in the PRC.

(iii) The company is a limited liability company in the PRC.

(iv) The company is a limited liability company in Tajikistan.

(v) The company is a limited liability company in Kyrgyzstan.

(vi) The directors consider the Group has control over Subsidiary A, KP International Limited and Antai Explosives even though it holds less than 50% voting rights in these subsidiaries as the Group has power to direct the relevant activities of these subsidiaries through the respective shareholders' agreements.

FIVE YEARS FINANCIAL SUMMARY

The consolidated statements of comprehensive income of the Group for the financial years 2021 to 2025 and the consolidated statements of financial position of the Group as at 31 March, 2021, 2022, 2023, 2024 and 2025 are as follows:

	Year ended 31 March				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Result					
Revenue	**1,695,507**	1,366,367	1,494,459	1,637,443	1,701,166
Profit before income tax	**446,408**	331,599	194,055	244,097	329,543
Income tax expense	**(121,031)**	(75,036)	(39,449)	(35,577)	(51,452)
Profit for the year	**325,377**	256,563	154,606	208,520	278,091

	As at 31 March				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Total assets	**4,603,412**	3,926,501	4,166,048	3,294,391	2,715,646
Total liabilities	**(2,427,924)**	(2,234,815)	(2,520,235)	(1,857,792)	(1,548,379)
Total equity	**2,175,488**	1,691,686	1,645,813	1,436,599	1,167,267